



Archdiocese *of* Omaha

Parish Business Administration Handbook



100 N. 62nd St.
Omaha, NE 68132

ARCHDIOCESE of OMAHA

OFFICE OF THE ARCHBISHOP

Supported by the Annual Appeal

402.558.3100
402.551.4212 (FAX)
www.archomaha.org

Decretum generale

Promulgating the Revised

The Archdiocesan Parish Business Administration Handbook

In virtue of my pastoral office as Archbishop of the Archdiocese of Omaha, I hereby promulgate this document entitled *The Archdiocesan Parish Business Administration Handbook* as particular law for the Archdiocese of Omaha in accord with provisions of the Code of Canon Law, specifically canons 7, 8 §2, 13, 20 and 29.

I promulgate this revised *Handbook* in keeping with my obligation and right to 1) protect the unity of the universal Church through urging the observance of ecclesiastical laws (c. 392 §1), 2) enact legislation for my own diocese (c. 391 §2), and 3) determine the methods to be observed in applying the law or clarifying the law's prescripts (cc. 32-34).

This new *Handbook* replaces earlier policies issued in 2004. It is hereby established as binding in the Archdiocese of Omaha, effective April 1, 2012. *The Archdiocesan Parish Business Administration Handbook* is to be promulgated immediately by publishing it on the Archdiocese of Omaha website. Notice of its forthcoming publishing on the Archdiocese of Omaha website has been placed in the Catholic Voice. Any legislation in a previous *Archdiocesan Parish Business Administration Handbook* is hereby abrogated as of April 1, 2012.

Given this 16th day of March, 2012, at the Chancery, Omaha, Nebraska.

Most Reverend George J. Lucas
Archbishop of Omaha

Deacon Timothy F. McNeil
Chancellor

ARCHDIOCESE OF OMAHA
PARISH BUSINESS ADMINISTRATION HANDBOOK
UNIFORM POLICIES AND PROCEDURES

Purpose of Handbook

To provide information, guidance and forms for the completion of parish business transactions, as required by Canon law and the policies of the Archbishop of Omaha, as well as Federal, state and local governmental laws and regulations.

Advantages

The use of uniform accounting and administrative policies and procedures offers the following potential advantages to the parishes and institutions of the Archdiocese:

1. Standardized accounting and administrative tasks, thus simplifying transactions for pastors and parish business office staff.
2. Improved quality of finance related information throughout the Archdiocese.
3. Less time required to complete business transactions between the parish and the Chancery.

Chancery Contact

Questions regarding the information within this handbook should be directed to the Archdiocesan Finance Director or in his absence, the Moderator of the Curia.

NOTICE

All lay employees are hereby notified that as a religious institution, the Archdiocese of Omaha and its affiliated entities do not participate in the unemployment compensation program of the State of Nebraska

BUSINESS POLICY CONTACTS

ARCHDIOCESAN STAFF 402-558-3100			
INDIVIDUAL	PHONE NUMBER	E-MAIL/WEB SITE	FAX NUMBER
REV. SCOTT HASTINGS Vicar General	402-558-3100	sahastings@archomaha.org	402-551-4212
DEACON TIMOTHY F. McNEIL Chancellor	402-558-3100	tfmtneil@archomaha.org	402-551-4212
JIM STOLZE Chief Financial Officer	402-558-3100	jjstolze@archomaha.org	402-561-1210
STEPHEN CARTER Controller	402-558-3100	spcarter@archomaha.org	402-561-1210
JEREMY SMITH Accounting Manager	402-558-3100	jjsmith@archomaha.org	402-561-1210
STEPHANIE RHEA Staff Accountant/Internal Auditor	402-558-3100	srhea@archomaha.org	402-561-1210
JUNE FRITZ Bookkeeper	402-558-3100	jefritz@archomaha.org	402-561-1210
LE ANN MOLL Benefits & Internal Audit Specialist	402-558-3100	lmmoll@archomaha.org	402-561-1210
SHAWN BAAS Chief Information Officer	402-557-5500	smbaas@archomaha.org	402-827-3793
DOUG FOLEY Database Manager	402-558-3100	djfoley@archomaha.org	402-554-0783
MICHAEL EMMERICH Director of Liturgical Formation	402-553-5524 Ext. 3	mjemmerich@archomaha.org	402-558-1325

ARCHDIOCESAN LEGAL COUNSEL			
INDIVIDUAL	PHONE NUMBER	E-MAIL/WEB SITE	FAX NUMBER
PATRICK FLOOD PANSING HOGAN ERNST & BACHMAN LLP	402-397-5500	PFlood@pheblaw.com	402-397-4853
WILLIAM BEERMAN PANSING HOGAN ERNST & BACHMAN LLP	402-397-5500	wbeerman@pheblaw.com	402-397-4853

BUSINESS POLICY CONTACTS

CATHOLIC MUTUAL GROUP (Property & Liability Insurance) 800-228-6108 (See below for extension)			
INDIVIDUAL	PHONE NUMBER	E-MAIL/WEB SITE	FAX NUMBER
BRIAN DUROW Claims/Risk Manager	402-514-2417	bdurow@catholicmutual.org	402-551-2943
JAKE LIVINGSTON Member Services Representative	800-228-6108 Ext. 2304	jlivingston@catholicmutual.org	402-551-2943
KYLIE KARNISH Support Specialist	800-228-6108 Ext. 2330	kkarnish@catholicmutual.org	402-551-2943

ARCHDIOCESAN SPONSORED BENEFIT PLAN CONTACTS

LAY EMPLOYEE HEALTH/DENTAL/VISION, LIFE/AD&D AND LTD PLANS			
COMPANY/INDIVIDUAL	PHONE NUMBER	E-MAIL/WEBSITE	FAX NUMBER
CATHOLIC MUTUAL GROUP Plan Consultant CONTACT: CATHRYN BECK (Day to Day Questions)	402-514-2204 800-228-6108 Ext. 2204	cbeck@catholicmutual.org	402-514-2290
ARCHDIOCESE OF OMAHA Plan Administrator and Billing CONTACTS: Le Ann Moll Stephen Carter (Day to Day Questions)	402-558-3100	lmmoll@archomaha.org spcarter@archomaha.org	402-561-1210
UNITED HEALTHCARE Claim Administrator CUSTOMER SERVICE Medical: Dental: Pre-Certification Review: Physician/Hospital Network Access	 888-607-5214 877-816-3596 888-607-5217 888-607-5214	www.myuhc.com	
CAREMARK (Pharmacy Network)	800-565-7091	www.caremark.com	
VSP (Vision Services Network)	800-877-7195	www.vsp.com	

ARCHDIOCESAN SPONSORED BENEFIT PLAN CONTACTS

403(b) PLAN			
COMPANY/INDIVIDUAL	PHONE NUMBER	E-MAIL/WEBSITE	FAX NUMBER
MERRILL LYNCH Investment Consultants JIM AMBROSE (Investments/Enrollment Questions) MIKE LIGHTHART (Investments/Enrollment Questions)	800-937-0892 402-496-5145 402-496-5114	 j_ambroseii@ml.com michael_j_lighthart@ml.com	 402-218-4749 402-218-4749
ASCENSUS Client Relationship Manager Justin Schaffer Secondary Contact (in Justin's absence) Raquel Garcia	 855-892-9255	 j.schaffer@ascensus.com r.garcia@ascensus.com	 218-855-6010

ASCENSUS			
Login for Employer Funding		https://secure.ascensus.com/login/sponsor	

Participant: CUSTOMER SERVICE Login for Individual Employee/participants	888-800-5359	(M_F, 8:30 a.m. to 7:00 p.m. EST) https://secure.ascensus.com/login/participant	
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CORPORATION DOCUMENTS

Purpose

To identify those documents required by Nebraska State law and Archdiocesan policy to permit a parish corporation to conduct business.

State of Nebraska

Articles of Incorporation

Each parish is a Public Juridic Person (in Canon Law) and a Non-Profit Corporation (in Nebraska and U.S. civil law). Each parish corporation should maintain a copy of its articles of incorporation and by-laws, if any, on file. A copy may be obtained by contacting the Secretary of State for the State of Nebraska or the Archdiocesan attorney.

The Archbishop, by a canonical appointment, sets a priest in the office of pastor and administrator of a parish. The Archdiocesan policy sets the term of a pastor at six years. As pastor a priest functions also in a civil law capacity for the parish corporation.

The directors of each parish corporation are:

1. President - Archbishop
2. Vice-President - Vicar General
3. Secretary/Treasurer - Pastor
4. Trustees - Two lay members of the Parish, nominated by the pastor and approved by the Archbishop.

State of Nebraska Biennial Report

The State of Nebraska Biennial Report is required in order to maintain the nonprofit corporate status of the parish. A copy should be on file at the parish rectory/office.

The State of Nebraska Biennial Report is filed with the Nebraska Secretary of State Office, along with a required filing fee.

Resident Agent

The pastor serves as the "resident agent" of the parish corporation. In this capacity he represents the parish and conducts its business. The Chancery notifies the Archdiocesan attorney to contact the Nebraska Secretary of State Office when a new pastor is appointed by the Archbishop so that the change of a corporation officer is correctly documented. A copy of the form should be on file at the parish rectory/office.

Archdiocese of Omaha

Archdiocesan Lay Director Nomination Form

The pastor must submit annually, for the Archbishop's approval, the names of two lay parishioners to act as directors (formerly known as “trustees”). Official Chancery forms are mailed to the pastor at the beginning of the fiscal year (see exhibit 1).

Two forms shall be completed and returned to the Chancery for the Archbishop's authorizing signature. One form is kept on file at the Chancery; one form is kept on file at the parish rectory/office.

The pastor is always the parish corporation treasurer and secretary.

Conclusion

Any questions on the above documents should be directed to the Moderator of the Curia.



ARCHDIOCESE of OMAHA

EXHIBIT 1

Omaha, Nebraska _____, 20____

KNOW ALL MEN BY THESE PRESENTS: That pursuant to the Articles of Incorporation of

(Give Full Legal Title, Including City or Town)

The undersigned President of said corporation, upon the recommendation of the
Pastor/Administrator, does appoint _____ and
(Give Christian Name in Full)

_____ as Lay-members (trustees) of the Board
(Give Christian Name in Full)

of Directors of said Corporation for the ensuing year _____ and until their successors
are appointed.

ARCHBISHOP OF OMAHA, PRESIDENT EX-OFFICIO

PASTOR/ADMINISTRATOR
SECRETARY/TREASURER EX-OFFICIO

CANON / CIVIL LAW RELATIONSHIPS

Purpose

To clarify the roles of those councils and individuals which provide consultative support to the Archbishop of Omaha, Vicar General and pastor in performing their canonical parish governance functions.

Parish Corporation

Each parish in the Archdiocese of Omaha is a separate civil corporation under the laws and regulations of the State of Nebraska, per the Nebraska Non-Profit Corporation Act.

Board of Directors

Each parish corporation in the Archdiocese of Omaha has five members on its Board of Directors: the Archbishop; Vicar General; the pastor; and two lay parishioners. The members of a parish corporation are either ex officio members or, in the case of the lay members, appointed. Parish corporate documents reserve certain rights to the Archbishop to modify, clarify or veto actions of a parish board of directors.

A parish board of directors may act by either a majority of members at a meeting or by unanimous consent in writing, executed by all directors. In all cases, ownership of church property is limited to the parish "juridic person", which ultimately must be governed by the Archbishop (Canon 1276), who may override a majority vote of the board. The Nebraska Non-Profit Corporation Act contains a provision which specifies if religious doctrine governs the affairs of a religious corporation and if that doctrine is inconsistent with the provisions of the Act on the same subject, the religious doctrine controls.

In discharging their duties, directors are to rely upon information, opinions, reports and statements prepared by officers and employees of the corporation, legal counsel and the religious authority within the Roman Catholic Church.

Officers

Each of the following officers of the parish corporation may authorize a lay person to perform certain civil administration functions in the ordinary course of parish business, such as signing checks and contracting for goods and services. Normally these tasks are performed by the pastor on a daily basis, as secretary/treasurer of the parish corporation.

Archbishop - president
Vicar General - vice president
Pastor - secretary/treasurer

Lay Directors

A lay director functions not as a corporate officer, but rather as one member of the deliberative body of the board of directors of the parish corporation. Since he/she is not a corporate officer, he or she may not act on his or her own in authorizing parish civil administrative functions to be carried out. There is no reference to Canon law about directors as an office or ministry

Parish Councils Membership / Appointed Volunteers

Canon law recognizes laity with obligations and rights within the Christian faithful. Canon 207 authorizes qualified lay persons to assume, with the consent of the Archbishop or pastor, certain ecclesiastical offices and functions. Canon 228. 2 specifically authorizes lay persons who excel in certain specialized fields of knowledge and prudence to assist pastors as experts or advisors as trustees, parish councils members, individual volunteers, etc.

Pastoral Council

The role of the parish pastoral council is to assist the pastor in developing and deepening the parish faith community in order to fulfill the mission of Jesus. As a consultative body, the council proposes a vision and direction for parish life (Canon 536). These processes are to be accomplished in coordination and cooperation with the parish finance council.

Finance Council

As mandated by Canon law (Canons 537 and 1280), the role of the parish finance council is to "aid the pastor in the administration of parish goods." In its advisory role, the Finance Council assists the pastor in the preparation of an annual parish budget, the creation and communication of periodic financial reports and protection of parish temporal goods. These processes are to be done in cooperation with the parish pastoral council.

Parish Staff

The pastor may hire a paid employee to conduct certain administrative duties for the parish corporation under the guidelines of a written job description, approved by the pastor. This employer-employee relationship is subject to federal and state labor laws and regulations, as well as Church principles in the employment of workers (Canon 1286.2.)

Parish Administrator

A temporary administrator may be appointed by the Archbishop to oversee the daily operation of a parish corporation, in the absence or unavailability of a pastor. The administrator must perform those functions as required by Canon law (Canons 540, 1282, 1283 and 1289), Archdiocesan policy and civil law, in a custodial capacity, to insure the protection of Church temporal goods.

School Board

The parish school board provides advice and assistance to the pastor and school administrator in the formation of policies which provide for religious, moral, academic and physical welfare of students and school staff. Sources for policy development include: The Catholic School Office, Archdiocesan Board of Education, Nebraska State Education Authority and recognized accreditation agencies. The pastor exercises final authority over the recommendations of the board.

The school board will be responsible to the parish pastoral council and finance council in some jurisdiction areas as defined by the pastor, to include review and approval of certain policies and programs significantly impacting the school mission and goals, budgetary decisions and building and grounds issues.

School Administrator

The school administrator is provided direction by the school board through the development of policy, counsel and advice, support in policy implementation, exercise of personnel, student and program responsibility and budget review and approval. The school administrator is directly responsible to the pastor in providing day-to-day oversight of the school.

Conclusion

In all cases, a pastor retains and cannot delegate canonical responsibilities. The role of lay directors, parish councils, parish and school staff and volunteers is advisory only. All actions of these parties in the creation and execution of parish policy and the administration of parish goods, are subject to the approval of the pastor and ultimately that of the Archbishop (Canons 515 and 532).

**POLITICAL CAMPAIGN ACTIVITY
(Catholic Institutions and Organizations)**

Purpose

Parishes, Catholic institutions, and the organizations, committees or activities associated with them as well as 501(c)(3) Catholic organizations have unique status under the Internal Revenue Code. Within the protected provision for free exercise of religion, these institutions and entities may not engage in partisan political activity.

Practices/Procedures Review

Pastors and parish priests, administrators and leaders should regularly review practices or procedures for receiving requests to announce, publicize, print or distribute information dealing with political candidates or political activities. This review includes:

Lobbying – The activity of contacting (direct lobbying) or urging parishioners or members to contact (grassroots lobbying) legislators or other civil officials for the purpose of proposing, supporting or opposing legislation, or enforcement of legislation, or adoption or rejection of legislation.

Candidate – An individual who offers himself or is proposed by others as a contestant for an elective public office, an individual appointed to a non-elective public office by or confirmed by a legislative body (e.g. judge).

Catholic organizations may engage in lobbying ONLY if it does not constitute a substantial part of their total activities. Thus, Catholic organizations have a limited ability to engage in activity surrounding elections for public office, ballot measures (including referenda, initiatives, constitutional amendments) and bond measures.

Permitted Activities

Education of candidates on issues may include contact to inform office holders or candidates for office regarding the justice and moral implications of issues.

Education of voters on candidates or election issues may not emphasize one candidate over another, may not denounce one candidate over another, may not editorialize about voting records or a specific vote, may not target candidates by questionnaires or failure to respond to questionnaires, may not edit or editorialize candidate responses and may not align with a particular political party, candidate or position.

The Archdiocesan website, the Catholic Voice newspaper and its website, and the Nebraska Catholic Conference provide the only acceptable voter education materials regarding candidates and election issues. The Chancery should be contacted regarding all other voter education materials proposed for use in parishes, Catholic institutions or Catholic organizations.

Non-partisan public forums, debates, lectures - Catholic organizations may sponsor these activities as occasions for candidates to explain positions and views to the public. A sponsoring Catholic organization may not indicate its view on the issues considered, the responses of the candidates or show bias for or against a candidate, party or position. Invitation and opportunity to participate in such activities should be inclusive. Failure to participate may not be used as commentary or to editorialize.

Candidates appearing or speaking at Catholic events – Catholic organizations should consider the motive for and purpose of having a candidate participate in any sponsored Catholic event. If the candidate is invited as a candidate, then the criteria in the previous section applies. If the candidate appears or is invited because of his or her capacity as a public figure or expert, then equal access does not apply as long as the individual speaks only as a public figure or expert, does not engage in campaign activity, and is advertized or reported upon in the capacity of public figure or expert.

Prohibited Activities

Endorsement/statements of opposition – either oral or written regarding any candidate for elective public office, any slate of candidates, political party or political action committee. This includes sermons/homilies, church bulletins, editorials in bulletins or newspaper or sample ballots.

Financial and in-kind support – Catholic organizations may not provide financial support to any candidate, political action committee or political party.

Mailing lists – Catholic organization should not provide or sell mailing lists to candidates, political action committees or political parties.

Sponsoring political action committees – Catholic organizations should not provide funds, directly or in special segregated accounts to candidates, political action committees or political parties.

Campaign literature – Catholic organizations should not distribute or authorize distribution of campaign literature or biased voter education materials, either directly or through delegated individuals or representatives of candidates, political action committees or political parties.

Conclusion

To the extent possible, pastors, administrators and leaders or organization should discourage third parties from using Catholic property for distribution of literature (e.g. weekend Masses, parish dinners or festivals). Questions regarding this issue should be addressed to the Moderator of the Curia.

CEMETERIES

Purpose

The cemeteries of the Archdiocese of Omaha provide for the burial of the Faithful within the tenets of Canon Law. Certain administration, finance and maintenance oversight issues are provided for under the laws of the State of Nebraska and the particular law of the Archbishop of Omaha (Canon 1243). (This policy does not pertain to the operations of the Catholic Cemeteries of the Archdiocese of Omaha).

Parish Cemetery

A cemetery within the structure of a parish corporation will be overseen by the pastor, with consultative assistance established at his discretion, including the formation of a cemetery committee.

Incorporated Cemetery

A separately incorporated Catholic cemetery must select a board of trustees, to meet periodically, to oversee its operation. Articles of incorporation and bylaws must be in place, as well as inclusion in the Kenedy Directory for purposes of tax exemption.

Administrative Records

Each cemetery is expected to complete and maintain basic records associated with the location and description of cemetery property, the location of interments, records of burial rights or lot ownership, permanent care agreements, annual fee records, accounts receivable and accounts payable, payroll records, building and equipment information, contract copies and financial records.

Cemetery Resources

Parish cemetery funds must be distinct from the funds of the parish corporation (separate bank accounts and trusts). Cemetery funds must be used for cemetery related needs and not expended or loaned for any other purpose.

Cemetery Operating Fund - unrestricted general gifts (not designated for permanent care), are required to be utilized for the general preservation, maintenance and improvement of the buildings, grounds and equipment or the purchase of additional real property. Cemetery facilities must be maintained in a satisfactory state of condition.

Perpetual Care Fund - an irrevocable trust for the deposit of gifts designated for the permanent care of the cemetery, as well as a percentage of the monies from the sale of burial rights or burial plots. Similar to an endowment fund, under Nebraska state law, only interest earned on perpetual care funds may be transferred to the cemetery operation fund and spent on cemetery needs.

Pre-Need Fund - a trust which retains a portion of the amounts collected for burial spaces, monuments, which have been sold to individuals prior to the time of their death. As the items are used, the funds are transferred to the cemetery operating fund. A pre-need trust may be irrevocable or revocable. These trusts are regulated by the Nebraska Department of Insurance at www.doi.ne.gov (See Exhibit 1).

Development Funds / Endowments - other investments may be made by a pastor or board of trustees to ensure the perpetuity of the cemetery, including the acquisition of additional real property. These funds will be of importance in the case of a parish merger or closure, to insure the continuation of a cemetery.

Liability / Safety Issues

Catholic Mutual provides property and liability coverage for cemetery operations. To be eligible for coverage, the cemetery must be owned by an archdiocesan institution or be specifically underwritten for insurance coverage. (Headstones or grave markers not owned by the cemetery, must be replaced or repaired by the family owner or relative).

As required by the State of Nebraska, a Safety Committee must be in place and meet periodically within a parish corporation or separately incorporated cemetery. A parish Safety Committee may be part of a pastoral or finance council. (See the "Safety Committee" policy in the Parish Business Administration Handbook).

Parish cemeteries or separately incorporated cemeteries insured by Catholic Mutual will be subject to annual safety inspections by their staff, in order to reduce liability claims. (See "Insurance Coverage Program" in the Parish Business Administration Handbook). Questions regarding coverage, claims and safety issues may be directed to the staff of Catholic Mutual.

Chancery Notification

In the circumstance in which a Catholic cemetery is unable to sustain its ministry due to changing demographic, financial or other circumstances, the pastor or board of trustees should contact the Chancellor, as certain Nebraska statutes, as well as Canon Law issues must be considered.

Conclusion

The Catholic ministry of maintaining sacred places in which the bodies of the dead are honored, respected and safeguarded, must be insured through the careful management of the financial resources established for this purpose, as well as prudent oversight of cemetery buildings and grounds. Questions regarding this ministry may be directed to the Chancellor. Finance related issues should be forwarded to the Archdiocesan Finance Office.

Who Can Be The Trustee?

A financial institution (some exceptions exist) within the state whose deposits are insured by the FDIC or the NCUSIF.

Who Issues Licenses and Regulates The Pre-Need Trusts?

The regulation of the pre-need trusts, including the issuing of pre-need seller and agent licenses, is handled by the Nebraska Department of Insurance.

How Does The Nebraska Department of Insurance Regulate Pre-Need Sellers?

Pre-need sellers are subject to departmental examination and required to file an annual pre-need sales report with the department as outlined in Neb.Rev.Stat. §§12-1101 through 12-1121.

In addition, the department is constantly reviewing its licensing records to ensure that all sellers and agents have current and active licenses.

Can the General Public Contact The Nebraska Department of Insurance Regarding A Pre-Need Seller's or Agent's License?

Yes. In fact the department recommends that the individual ask to see a seller's license or check with the department regarding a pre-need seller's license before entering a pre-need sale.

Does the Nebraska Department of Insurance Handle Consumer Complaints Against Pre-Need Sellers

Yes. The department handles all pre-need related areas, including consumer complaints.

How Does An Individual File A Complaint With The Nebraska Department of Insurance?

A pre-need complaint form must be completed and submitted to the department, along with any supporting documentation. Forms may be obtained by contacting the department at the address and phone number listed below.

How Can An Individual Obtain Additional Information About Pre-Need Trusts?

Additional information regarding pre-need trusts can be obtained by contacting the Nebraska Department of Insurance.

Nebraska Department of Insurance
Terminal Building
941 O Street, Suite 400
Lincoln, Nebraska 68508
402-471-2201
TDD: 800-833-7352
VOICE: 800-833-0920

Website: www.doi.ne.gov

Nebraska Funeral & Burial Funding

Questions and Answers Concerning Funding Through Pre-Need Trusts



State of Nebraska
Department of Insurance

EXHIBIT 1

The Nebraska Department of Insurance is the administrative body responsible for regulation pursuant to statutory authority. Within this framework, Department personnel assist and inform to protect consumer interests.

What Is Pre-Need?

Pre-need is the purchasing of burial or funeral merchandise (casket, vault, monument, etc.) or services by a member of the general public prior to the time of death.

How Is The Sale of Pre-Need Services and/ or Merchandise Financed?

The purchase of pre-need services and/ or merchandise may be financed one of three ways:

- a. Life Insurance
- b. Annuity Contract
- c. Pre-Need Trust

(The focus of this brochure is pre-need trusts.)

Questions and Answers Concerning Funding Through Pre-Need Trusts

What Is A Pre-Need Trust?

When a pre-need sale is made, funds from the sale are deposited in a federally insured bank within the State of Nebraska until the time of death. These funds may be placed in either an individual trust account or a master trust account (a pool of many individual trusts).

What Are The Requirements For A Pre-Need Trust?

Upon making a pre-need sale, the pre-need seller is required to complete a written agreement and maintain a separate record of each pre-need trust established.

Pre-need trust funds, equaling at least 85% of the retail sales price, are required to be deposited in a federally insured Nebraska bank within 60 days after receipt.

The remaining amount, up to a maximum of 15% of the retail sales price, may be retained by the seller.

Is There More Than One Type Of Pre-Need Trust?

Yes. There are two types of pre-need trusts: irrevocable and revocable.

What Is The Difference Between The Two Types Of Pre-Need Trusts?

Funds placed in an irrevocable pre-need trust may not be withdrawn until the time of death. Funds placed in a revocable pre-need trust may be withdrawn at anytime.

The irrevocable pre-need trust is primarily used to finance services and has a maximum amount set each year by the Nebraska Department of Health and Human Services. The revocable pre-need trust is used primarily to finance merchandise and has no maximum amount.

Who Sells Pre-Need?

The establishments which sell pre-need are funeral homes, cemeteries, and monument companies. In order for these establishments to engage in the sale of pre-need, they must first obtain a pre-need seller's license.

In addition, individuals, engaging in the sale of pre-need, must be licensed as agents for their designated seller.

ARCHDIOCESAN DEBT POLICY

Purpose

The following policy is to be reviewed and utilized by each institution of the Archdiocese when planning for construction, renovation or any other extraordinary expenditure which will require external financing or borrowing from the Archdiocesan Deposit and Loan Fund.

Debt Review

Each fiscal year, the Archbishop, with the advice of the Archdiocesan Finance Council and the Priest Council, will review the total debt amount of the Archdiocese, i.e. parishes, agencies, archdiocesan high schools, etc., to determine its impact on the financial operation of the Archdiocese. This process will be based on an annual survey conducted by the Archdiocesan Finance Office.

Financing Alternatives

New debt financing requests will be evaluated as they are received by the Archbishop. Each institution's long term planning should include an inquiry to the Archdiocesan Finance Director to discuss available rates and potential financial institutions.

Each institution is responsible for negotiating the best possible terms for its loan requirements. No loan maturity should exceed a period of 20 years.

Building Reserves / Pledges

Prior to a loan approval, each institution is to exhibit its collective financial support for a project, by having a minimum of 40% (15% for newly established parishes less than five years old) of its cost ON HAND. Emergency situations and extenuating circumstances must be brought to the attention of the Archbishop.

The balance of the project cost must be provided through adequate future operational cash flow and/or formal pledge receivables. Pledges should be for a reasonable period of time, with a contingency factor planned for those amounts which will not be collected.

Operating Reserves / Cash Flow

Each archdiocesan institution must not allow the completion of a project, requiring an extraordinarily high expenditure, to compromise the ability to financially support its primary mission. Debt financing should not exceed 55% of a parish's annual budget without the specific permission of the Archbishop. Each institution will include a five year projection of its revenues and expenses in its plan proposal.

Conclusion

All institutions of the Archdiocese, as good stewards, need to work together in carefully planning and managing the collective resources of the local Church, as well as its collective debt obligation. The sound management of current loans will insure the ability of the Archdiocese to continue to secure and guarantee future financing for its facility and ministry requirements.

Any questions concerning this policy may be directed to the Archdiocesan Finance Director.

**ARCHDIOCESAN DEPOSIT AND LOAN FUND
(Omaha Archdiocesan Deposit and Loan Fund, Inc.)**

Purpose

The Archdiocesan Deposit and Loan Fund was established to provide a means through which those parishes with surplus funds might assist others in financing building or major renovation projects. The safety of these funds is overseen by an Archdiocesan Deposit and Loan Board of Trustees, made up of the Archbishop, Vicar General, Archdiocesan Finance Director, active pastors and lay professionals.

Investments

RATE PAID ON DEPOSITS – EFFECTIVE JANUARY 1, 2024: 3.5%

FEBRUARY 1ST of each year, each parish is asked to calculate the amount of excess funds on hand, beyond that required to operate parish programs for 60 days. Fifty percent (50%) of this amount must be deposited in the Archdiocesan Deposit and Loan Fund for investment. Copies of the sample form and annual calculation form are attached (exhibits 1 and 2). The required form is due at the Archdiocesan Finance Office by MARCH 1st of each year. The actual deposit must be forwarded to the Archdiocesan Finance Office by no later than JULY 1st of each year. The check should be made out to the "Deposit and Loan Fund," with a letter confirming your instructions.

Deposit activity, including deposits, withdrawals, and interest accrual, can be accessed online at <https://dlsonline.us/omaha/authenticate.asp>. If you need assistance with using the website or logging in, please contact the Finance Office. The rate paid on each deposit account is VARIABLE and interest is paid QUARTERLY by Electronic Funds Transfer (EFT). (Any interest on deposit balances amounting to less than \$100.00 will be rolled into the deposit principal rather than paid to the parish through an EFT.)

The rate of interest paid on deposit accounts is reviewed by the Archdiocesan Deposit and Loan Board annually. The investment strategy for monies in the Fund is continually reviewed for safety, return on investment and liquidity needs.

All parish deposits are guaranteed by the Archdiocese and may be withdrawn without penalty. It is asked that a THIRTY DAY NOTICE be given to the Archdiocesan Finance Office prior to funds being withdrawn. Emergency situations may cause this notice to be waived.

Loans

BASE RATE CHARGED FOR LOANS EFFECTIVE JANUARY 1, 2024: 5.5%

Should your parish want to obtain a loan from the Fund, send a letter to the Archdiocesan Finance Office stating the amount and project it will be financing or a copy of the loan request form attached (Exhibit 3). (Loans will NOT be granted for payment of operating expenses). Large building projects must be reviewed by the Archdiocesan Building Committee (see Archdiocesan Construction/Capital Improvement) policy and approved by the Archbishop before a related loan will be considered by the Archdiocesan Deposit and Loan Board.

The Archdiocesan Deposit and Loan Board will review a loan request based on its need and the ability of a parish to safely repay it, plus interest, within a reasonable time period. AS THE FUND CONSISTS OF PARISH MONIES, LOANS CANNOT AND WILL NOT BE FORGIVEN BY THE ARCHDIOCESE. All loans are evidenced by a promissory note, with a monthly amortization schedule, noting repayment dates and amounts.

A parish may request up to a 20 year loan. The first five years will be at the prevailing loan rate when it is first drawn from the Fund. At the end of each subsequent 5 year period, the loan rate will be adjusted to the then prevailing rate, which will be effective for a new 5 year period or to the end of the loan, whichever is shorter. The loan may be repaid by a parish at any time without penalty.

Conclusion

Any questions concerning the annual determination of excess parish funds for deposit or inquiry about loans should be directed to the Archdiocesan Finance Director.

**ARCHDIOCESE OF OMAHA
DEBT FINANCING**

EXHIBIT 1

**INVESTMENT OF EXCESS PARISH FUNDS INTO DEPOSIT AND LOAN FUND
SAMPLE CALCULATION FORM**

Identified need: To increase the monies in the Archdiocesan Deposit and Loan Fund available for parish building/renovation loans.

By FEBRUARY 1st of each year, every parish of the Archdiocese is asked to determine the funds it requires to operate all budgeted program's for a period of 60 calendar days. 50% of all available monies, exceeding the amount calculated, will be considered "excess funds" and subject to deposit in the Archdiocesan Deposit and Loan Fund. To minimize paperwork, it is requested that deposits amount to at least \$2,000.

By MARCH 1st of each year, this excess funds calculation form should be forwarded to the Archdiocesan Finance Office, even if no excess funds are determined to be available for deposit. Late forms will be followed up.

By NO LATER THAN JULY 1st of each year, your deposit due should be received by the Archdiocesan Finance Office. Late deposits will be followed up.

Excess funds will be calculated accordingly:

Step 1: Determine total of ALL funds available to support parish programs and fill in blank: \$ 100,000

(INCLUDE all checking accounts, savings accounts, certificates of deposit, treasuries, money market accounts, building funds, unrestricted trust fund accounts, etc., available to support parish programs).

(EXCLUDE ONLY: FUNDS ALREADY INVESTED IN THE DEPOSIT AND LOAN FUND, LEGALLY CREATED PARISH/EDUCATION ENDOWMENTS AND THOSE TRUST ACCOUNTS IN WHICH DONOR OR LEGAL DESIGNATION SPECIFICALLY RESTRICTS ITS MOVEMENT FOR INVESTMENT PURPOSES)

Step 2: Fill in blank with TOTAL ANNUAL OPERATING EXPENSES for ALL budgets submitted to the Chancery for the current fiscal year (LESS DEPRECIATION IF BUDGETED): \$ 365,000

Step 3: Divide resulting figure obtained in Step 2 by 365 to obtain average daily operating expense and fill in blank: \$ 1,000

Step 4: Multiply resulting figure obtained in Step 3 by 60 to obtain Revenue required to operating parish programs for 60 days and fill in blank: \$ 60,000

Step 5: Subtract amount obtained in Step 4 from amount calculated in Step 1 and fill in blank. IF THIS FIGURE IS LESS THAN ZERO, STOP HERE, YOU HAVE NO EXCESS FUNDS: \$ 40,000

Step 6: Multiply the amount obtained in Step 5 by 50% to obtain your excess funds and fill in blank: \$ 20,000*

***IF THIS AMOUNT EXCEEDS \$2,000, FORWARD A CHECK TO THE ARCHDIOCESAN FINANCE OFFICE, NOTING THAT IT IS TO BE DEPOSITED INTO THE 'DEPOSIT AND LOAN FUND.'**

EXHIBIT 2

INVESTMENT OF EXCESS PARISH FUNDS INTO DEPOSIT AND LOAN FUND
ANNUAL CALCULATION FORM

DATE: _____ PARISH: _____

CITY: _____ PARISH ID#: _____

Identified need: To increase the monies in the Archdiocesan Deposit and Loan Fund available for parish building/renovation loans.

By FEBRUARY 1st of each year, every parish of the Archdiocese is asked to determine the funds it requires to operate all budgeted programs for a period of 60 calendar days. 50% of all available monies, exceeding the amount calculated, will be considered 'excess funds' and subject to deposit in the **Archdiocesan** Deposit and Loan Fund. To minimize paperwork, it is requested that deposits amount to at least \$2,000.

By MARCH 1st of each year, this excess funds calculation form should be forwarded to the Archdiocesan Finance Office, even if no excess funds are determined to be available for deposit. Late forms will be followed up.

By NO LATER THAN JULY 1st of each year, your deposit due should be received by the Archdiocesan Finance Office. Late deposits will be followed up.

Excess funds will be calculated accordingly:

Step 1: Determine total of ALL funds available to support parish programs and fill in blank:

\$

(INCLUDE all checking accounts, savings accounts, certificates of deposit, treasuries, money market accounts, building funds, unrestricted trust fund accounts, etc., available to support parish programs).
**(EXCLUDE ONLY: FUNDS ALREADY INVESTED IN THE)
DEPOSIT AND LOAN FUND, LEGALLY CREATED
PARISH/EDUCATION ENDOWMENTS AND THOSE TRUST
ACCOUNTS IN WHICH DONOR OR LEGAL DESIGNATION
SPECIFICALLY RESTRICTS ITS MOVEMENT FOR
INVESTMENT PURPOSES)**

Step 2: Fill in blank with TOTAL ANNUAL OPERATING EXPENSES for ALL budgets submitted to the Chancery for the current fiscal year (LESS DEPRECIATION IF BUDGETED):

\$

Step 3: Divide resulting figure obtained in Step 2 by 365 to obtain average daily operating expense and fill in blank:

\$

Step 4: Multiply resulting figure obtained in Step 3 by 60 to obtain **revenue** required to operating parish programs for 60 days and fill in blank:

\$

Step 5: Subtract **amount** obtained in Step 4 from amount calculated in Step 1 and fill in blank (IF THIS FIGURE IS LESS THEN ZERO, STOP HERE, YOU HAVE NO EXCESS FUNDS:

\$

Step 6: Multiply the amount obtained in Step 5 by 50% to obtain your excess funds and fill in blank:

\$

*

***IF THIS AMOUNT EXCEEDS \$2,000, FORWARD A CHECK TO THE ARCHDIOCESAN FINANCE OFFICE, NOTING THAT IT IS TO BE DEPOSITED INTO THE 'DEPOSIT AND LOAN FUND.'**

Questions: Contact Archdiocesan Finance Director

**ARCHDIOCESE OF OMAHA
DEBT FINANCING**

EXHIBIT 3

**DEPOSIT AND LOAN FUND
LOAN REQUEST FORM**

Parish / School: _____

ID Number: _____

Address: _____

Purpose of Loan: _____

Amount Requested: \$ _____

Date Required: _____

Repayment Schedule: _____

Approx. Mo. Payment: _____

Number of Months: _____

Pastor/Administrator Signature: _____

Date: _____

Required Parish/School Bank Information for Loan Disbursement
(via Electronic Funds Transfer)

Bank Name: _____ Routing #: _____ Account #: _____

INTEREST RATE: 5.5 %

**ARCHDIOCESE OF OMAHA
DEBT FINANCING**

EXHIBIT 4

**DEPOSIT AND LOAN FUND
WITHDRAWAL REQUEST FORM**

Parish / School: _____

ID Number: _____

Address: _____

Purpose of Withdrawal: _____

Amount Requested: \$ _____

Date Required: _____

Pastor/Administrator Signature: _____

Date: _____

**Required Parish/School Bank Information for Withdrawal Disbursement
(via Electronic Funds Transfer)**

Bank Name: _____ Routing #: _____ Account #: _____

Savings or Checking (circle one)

COMPENSATION/BENEFIT SCHEDULE FOR ASSIGNED ARCHDIOCESAN PRIESTS

Direct Payments Monthly:

- | | |
|-----------------------|--|
| Base salary | - \$3,000 monthly, with stoles fees and stipends retained by the priest (effective July 1, 2026) |
| Ordination increments | - \$15 added for each year of service |

Other Available Benefits:

- | | |
|----------------------|---|
| Health insurance | - \$1,950 monthly premium paid by the parish or institution to Priest Health Plan (effective March 1, 2026) |
| Retirement fund | - \$700 assessment funded monthly by parish or institution to Retirement Fund (effective July 1, 2026) |
| Cont. Ed. & Retreats | - Combined reimbursement to priest up to \$2,500 annually, documented to parish |
| Room and board | <ul style="list-style-type: none">- Housing and groceries* provided to priest, or priest administrator, associate priests and priests in residence- Parish-paid personal meals at restaurants are allowed, but the maximum allowed per month is \$500 if there is not a cook on staff, \$100 if there is a cook on staff- Business meals do not count against monthly maximum, but the business purpose must be documented when submitting for payment <p>*Alcohol, tobacco, and personal toiletries are excluded</p> |
| Laundry/dry cleaning | - Reimbursed to priest as documented to parish |
| Cell phone service | - Reimbursed up to \$80 per month to priest (available to pastors, associates, and chaplains) as documented for cell phone service not paid by the parish |
| Cable / Streaming TV | - Reimbursed up to \$100 per month to priest as documented for basic tv package not paid for by the parish |

Other Available Benefits (continued):

Insurance -Personal property insurance - \$25,000 as provided through Catholic Mutual
 -Personal liability insurance - \$300,000 as provided through Catholic Mutual

Additional Info:

Year of ordination increments - Each priest's salary is computed by adding \$15 per month per year of ordination to the base salary (see attached schedules). The increase occurs each year on July 1 based on years of ordination at that date. Salary is paid by the parish or institution to which the priest is assigned.

Health insurance - The Archdiocese of Omaha Priest Health Plan is negotiated in February of each year and new rates become effective March 1. The health insurance plan includes medical, dental, prescription drug, and vision insurance benefits.

Room and board - Priests should use the minimum figure of \$600 per month for room and board provided by the parish for social security purposes. **This is not a cash transfer to individual priests.** Food allowances or meals outside of rectory (non-business meals), paid by parish, may result in taxable income to the priest.

Automobile mileage - All priests are entitled to reimbursement for travel required in service to the church (parish, archdiocesan and other church-related business). This does not include personal and private use of the auto. The mileage reimbursement rate will be determined each year based on federal standards. The 2026 rate is 72.5 cents per mile. Documentation of the actual mileage and purpose of the trip must be presented and kept on file in parish or institution. (In the future, the mileage rate will automatically change when a new Internal Revenue Service rate becomes effective). Automobile allowance of a flat dollar amount may not be substituted for actual mileage documentation.

CLERGY SALARY SCHEDULE
\$3,000 BASE SALARY
(\$15 salary increment for years of service)

Number of Years since Ordination	Monthly Salary Amount	Annual Salary Amount	Number of Years since Ordination	Monthly Salary Amount	Annual Salary Amount
---	--------------------------------------	-------------------------------------	---	--------------------------------------	-------------------------------------

Base	\$3,000	\$36,000	21	\$3,315	\$39,780
1	\$3,015	\$36,180	22	\$3,330	\$39,960
2	\$3,030	\$36,360	23	\$3,345	\$40,140
3	\$3,045	\$36,540	24	\$3,360	\$40,320
4	\$3,060	\$36,720	25	\$3,375	\$40,500
5	\$3,075	\$36,900	26	\$3,390	\$40,680
6	\$3,090	\$37,080	27	\$3,405	\$40,860
7	\$3,105	\$37,260	28	\$3,420	\$41,040
8	\$3,120	\$37,440	29	\$3,435	\$41,220
9	\$3,135	\$37,620	30	\$3,450	\$41,400
10	\$3,150	\$37,800	31	\$3,465	\$41,580
11	\$3,165	\$37,980	32	\$3,480	\$41,760
12	\$3,180	\$38,160	33	\$3,495	\$41,940
13	\$3,195	\$38,340	34	\$3,510	\$42,120
14	\$3,210	\$38,520	35	\$3,525	\$42,300
15	\$3,225	\$38,700	36	\$3,540	\$42,480
16	\$3,240	\$38,880	37	\$3,555	\$42,660
17	\$3,255	\$39,060	38	\$3,570	\$42,840
18	\$3,270	\$39,240	39	\$3,585	\$43,020
19	\$3,285	\$39,420	40	\$3,600	\$43,200
20	\$3,300	\$39,600	41 + over: additional \$15 per each additional year of service		

Revised: July 1, 2017

COMPENSATION FOR SUPPLY PRIESTS

Priests who supply sacramental and liturgical pastoral ministry, in the absence of, or as support to, pastors or parish priests, shall be compensated for this service in the following manner:

Weekday Mass **\$50 per Mass**

If a designated/published intention is attached to the Mass then the celebrating priest receives the stipend also.

Weekend Mass (Vigil Mass and Sunday/Holy Day) **\$75 per Mass**

If a designated/published intention is attached to the Mass then the celebrating priest receives the stipend also.

Scheduled parish confession time or Penance Service **\$15 per half hour**

Mileage

In accord with current rate as found in the “Clergy Compensation” policy.

Any questions should be directed to the Vicar for Clergy.



EXHIBIT 1

Substitute Priest Remuneration and Reimbursement Form

Name of Priest: _____

Address: _____

City, State, Zip: _____

Telephone Number: (____) _____

E-mail: _____

Dates of Weekend(s) / Weekday(s) Sacramental coverage provided: _____

Remuneration

Mass stipends and stole fees received at the parish are applied to the total stipend paid to the substituting priest. Stipend is inclusive of additional Sacramental ministry carried out during substituting priest's visit to the parish, including Confessions and Baptisms.

____ Weekend Masses (Vigil Mass and Sunday/Holy Day Mass)
(#) celebrated x \$75 / Mass = \$ _____
Weekend Stipend

____ Weekday Masses (Vigil Mass and Holy Day Mass)
(#) celebrated x \$50 / Mass = \$ _____
Weekday Stipend

____ Scheduled confession time or Penance Service x \$15 per half hour
(#) = \$ _____
Confession/Penance Service

Reimbursement

____ Miles traveled to parish(es) x 2 x \$ (rate) reimbursement/
mile* (distance) (return trip) = \$ _____
Travel reimbursement

TOTAL AMOUNT TO BE PAID: \$ _____

Comments regarding visit to parish:

Signature: _____

* IRS published rate

PRIEST ISSUES

IRS - W-2 Forms

Effective with the tax year beginning January 1, 1997, parishes and institutions in the Archdiocese will issue W-2 Forms to priests who are assigned there or who receive compensation for services rendered on behalf of the parish or institution. The required W-2 Form will be issued in January, annually.

By law, priests are considered self-employed for Social Security and Medicare tax purposes and are personally accountable for all taxes in these categories.

By law, priests are considered employees of the Church for Federal and State income tax purposes and are personally accountable for quarterly estimated taxes.

Estate Planning

Priests of the Archdiocese are encouraged to use the services of the Archdiocesan Planned Giving Consultant for retirement planning purposes and in the preparation or updating of Last Wills and Testaments. Contact can be made with the Archdiocesan Estate Planning/Planned Giving Consultant by calling the Office of Stewardship and Development.

A copy of the Archdiocesan priest guideline to retirement planning, "Ordination to Retirement", is available on the Archdiocesan website or by contacting the Archdiocesan Finance Office.

Retirement Residence

The Archdiocesan Priests' Retirement Residence (St. John Vianney Residence) is located at 7323 Shirley Street, Omaha, Nebraska 68124, (402) 392-1542 and consists of 45 apartment units. Any priest of the Archdiocese is eligible to apply for an available apartment upon retirement and will be considered according to the waiting list. The Archdiocese provides a considerable subsidy so that retired priests can enjoy the retirement residence at a reasonable monthly rate.

The Moderator of the Curia should be contacted for information regarding application for an apartment, monthly rent, utilities and management services.

Last Will and Testament

Archdiocesan statute, requires each priest to provide the Chancery with a Last Will and Testament, as well as advance directives for health care and directions for funeral and burial arrangements. If a priest has his Last Will and Testament filed in another place the Chancery must have information or notice regarding that place (e.g., attorney, next of kin, safety deposit box) and the contact person.

Each priest is urged to update his Last Will and Testament periodically, especially at significant transition times.

Burial Place

Each Archdiocesan priest has a right to a grave space in the Priests' Section at the south entrance of Calvary Cemetery. There is no charge for the grave space or the opening of a grave in this special section at the time of burial. A headstone and bronze flower vase will also be provided.

An Archdiocesan priest may be buried in one of the other Catholic cemeteries. There is no charge for opening a grave at the time of burial but there is a charge, at the prevailing rate, for the grave space in one of the other Catholic cemeteries, in addition to the charge for the headstone and bronze flower vase.

Contact the Director of Archdiocesan Catholic Cemeteries for additional information.

BENEFIT / SERVICE SCHEDULE FOR RETIRED ARCHDIOCESAN PRIESTS

Pension Plan

Retirement Benefit: \$2,010 monthly, \$24,120 annually (effective January 1, 2026)

Housing Allowance (non-taxable portion of retirement benefit): \$1,000 monthly, \$12,000 annually (effective January 1, 2025)

Medicare Part B Reimbursement: \$202.90 monthly, \$2,434.80 annually (effective January 1, 2026)

Insurance

Health / Dental Insurance: A Medigap plan is purchased for all retired priests through Benistar/Hartford for health, and Express Scripts for prescription drugs, at no charge to the retired priests. Dental insurance is comparable to the active priest plan (still through UHC) and at no charge to the retired priests. VSP coverage remains the same in retirement. Medicare is primary health insurance once retired, and the archdiocesan Medigap plan is secondary.

Housing

Retirement Residence: John Vianney Residence provides spacious, 2-bedroom apartments and garages subsidized by Archdiocese

Education

Continued Education: Tuition for approved courses taken at Creighton University subsidized in full by Archdiocese and Creighton University

Retreats

Archdiocesan Retreats: Funding available for approved, formally scheduled retreat programs.

End of Life Issues

Estate Planning: Archdiocesan Planned Giving Consultant available to discuss retirement planning

Last Will and Testament: Chancery will safeguard wills and funeral/burial documentation

Executor: The Vicar General and Chancellor (and other diocesan staff) should not be named as executor for any estate unless arrangements are made for that beforehand

Burial: Grave space, opening at time of burial and headstone provided at the south entrance of Calvary Cemetery

Consultation

Delegate for Retired Priests: Assists in meeting special needs arising within retirement

COMPENSATION FOR RELIGIOUS

Purpose

All religious men and women be given compensation that is consonant with the fair market value of their services.

Rationale

Whereas the life of a religious is dedicated to the service of God and of His people and is not aimed at material recompense, at the same time, religious have needs for self and for retired members of their religious communities that must be met. It is the urgency of many of these needs that necessitates looking seriously at the compensation currently being given. Furthermore, religious are not only entitled to salaries of living wages but it is intrinsic to their mission of providing services to the poor and marginalized.

In the past, there were many working religious to finance the costs of the few retired religious. Now, the situation is reversed. There are a limited number of religious receiving remuneration who try to meet the rising health and other costs of their aging communities. Some communities have found it necessary to place members in the private or government sectors to obtain needed resources to help cut the deficits in their community resources.

The Pastoral Letter, Economic Justice for All, (1986) recognizes the problems faced by parishes and other Church organizations. "For many decades religious orders of women and men taught in our schools and worked in our hospitals with very little remuneration. Right now, we see the same spirit of generosity among the religious and lay people even as we seek to pay more adequate salaries." (#348) "These obligations, however, cannot be met without the increased contributions of all the members of the church. We call on all to recognize their responsibility to contribute momentarily to the support of those who carry out the public mission of the church." (#350) The Letter continues: "We bishops commit ourselves to the principles that those who serve the Church - laity, clergy, and religious - should receive a sufficient livelihood and the social benefits provided by responsible employers in our nation. . . Increased resources are also needed for the support of elderly members of religious communities. These dedicated women and men have not always asked for and received the stipends and pensions that would have assured their future. It would be a breach of our obligations to them to let them or their communities face retirement without adequate funds." (#351)

Conclusion

In general, Catholic school lay teachers accept pay that is less than public school teachers. Religious often receive less than the lay teachers, even when they have more experience and have been with the school longer. Finally, in some cases when a religious has left a position, a Catholic institution

has had to pay market wages to their replacements. It is only fair and just to the sisters and brothers to pay that same market wage to them. The attached "Religious Salary Worksheet" (exhibit 1) may be used to calculate a suggested annual salary for a religious which reflects comparable lay salary and benefits. Questions should be referred to the Archdiocesan Finance Director.

ARCHDIOCESE OF OMAHA
EMPLOYEES COMPENSATION FOR RELIGIOUS

EXHIBIT 1
RELIGIOUS SALARY WORKSHEET

THE PURPOSE OF THIS WORKSHEET IS TO DETERMINE THE ANNUAL SALARY AND BENEFIT
EQUIVALENTS OF RELIGIOUS EMPLOYEE (SISTER/BROTHER) OF THIS INSTITUTION.

RELIGIOUS EMPLOYEE: _____

RELIGIOUS COMMUNITY: _____

POSITION: _____

DATE: _____

A. ANNUAL BASE SALARY: \$ _____

PLUS: EMPLOYER PAID PORTION OF SOC. SECURITY (7.65% OF ANN. BASE SALARY) \$ _____

ADJUSTED ANNUAL SALARY \$ _____

B. PLUS: EMPLOYER PAID BENEFITS:

1. HEALTH INSURANCE: \$ _____

2. DENTAL INSURANCE: \$ _____

3. LIFE INSURANCE: \$ _____

4. LONG TERM DISABILITY: \$ _____

5. PENSION: \$ _____

OTHER BENEFITS:

6. _____ \$ _____

7. _____ \$ _____

8. _____ \$ _____

C. ANNUAL BENEFITS: (TOTAL OF B1 THROUGH B8) \$ _____

D. TOTAL ANNUAL LAY SALARY/BENEFITS: (TOTAL OF A PLUS C) \$ _____

E. LESS: BENEFITS PROVIDED TO RELIGIOUS EMPLOYEE:

ANNUAL HOUSING (INSTITUTION FACTORS IN EXPENSES
(OF HOUSING PROVIDED OR HOUSING ALLOWANCE)

1. _____ \$ _____

ANNUAL TRANSPORTATION (INSTITUTION FACTORS IN
(EXPENSES OF CAR PROVIDED OR CAR ALLOWANCE)

2. _____ \$ _____

OTHER BENEFITS:

3. HEALTH INSURANCE \$ _____

4. RETIREMENT (PENSION) \$ _____

5. _____ \$ _____

F. TOTAL ANNUAL RELIGIOUS BENEFITS: (TOTAL OF E1 THROUGH E5) \$ (_____)

SUGGESTED ANNUAL RELIGIOUS SALARY AND BENEFITS: (D MINUS F) \$ _____

POSITION DESCRIPTION - PARISH/INSTITUTION BOOKKEEPER
(Sample Only - Customize for Your Specific Need)

POSITION: Parish/Institution Bookkeeper
REPORTS TO: Pastor/Institution Administrator

POSITION SUMMARY:

A well organized individual to perform daily parish/institution bookkeeping transactions, at the direction of the pastor/institution administrator.

PRIMARY RESPONSIBILITIES:

1. Assist pastor/institution administrator as requested.
2. Record accurate and timely financial/demographic information.
3. Assist in budgeting financial requirements of the parish/institution.
4. Maintain parish/institution internal controls and financial due diligence.
5. Perform all other duties assigned by pastor/institution administrator.

SKILLS AND KNOWLEDGE REQUIRED:

Detailed reconciling of multiple parish/institution accounts (ability to keep a complete set of financial statements).

Knowledge of payroll processes and related tax issues.

Understanding of accounts payable process.

Excellent verbal and written communication skills.

Knowledge of QuickBooks accounting software.

Working understanding of the Catholic Church.

REQUIRED EXPERIENCE AND EDUCATION:

Minimally, 1 to 2 years relevant, progressive bookkeeping experience and/or a bachelor's degree in accounting.

POSITION DESCRIPTION - PARISH/INSTITUTION BUSINESS MANAGER
(Sample Only - Customize for Your Specific Need)

POSITION: Parish/Institution Business Manager
REPORTS TO: Pastor/Institution Administrator

POSITION SUMMARY:

A well organized professional to execute daily parish/institution accounting and finance related functions, at the direction of the pastor/institution administrator.

PRIMARY RESPONSIBILITIES:

1. Advise pastor/institution administrator as requested.
2. Supervise financial/clerical personnel.
3. Develop and maintain accurate and timely financial/demographic information.
4. Establish and oversee parish/institution internal controls and financial due diligence.
5. Budget/facilitate plan for short-term/long-term financial requirements of parish/institution.

SKILLS AND KNOWLEDGE REQUIRED:

Sound understanding of generally accepted accounting principles (ability to develop and maintain a complete set of financial statements).

Comprehensive knowledge of payroll/related tax issues and accounts payable.

Mature, practiced verbal and written communication skills.

Experienced user of mainstream accounting/financial software.

Working knowledge of the Catholic Church.

REQUIRED EXPERIENCE AND EDUCATION:

Minimally, 3-5 years of progressive and relevant accounting/financial experience and applicable college course work/degree.

POSITION DESCRIPTION - PARISH STEWARDSHIP AND DEVELOPMENT DIRECTOR
(Sample Only - Customize for Your Institution)

POSITION: Stewardship and Development Director
REPORTS TO: Pastor

POSITION SUMMARY:

Provide leadership for the parish in stewardship education and fund development, educating parishioners and donors on the needs of the parish. Develop new time, talent and financial resources to meet present and future needs of parish.

PRIMARY RESPONSIBILITIES:

1. Review semi-annually with parish pastor, parish staff and other appropriate individuals the mission, goals, and objectives of the parish.
2. Implement a marketing and communications program that addresses the needs of the parish.
3. Direct and provide leadership for the following fund development efforts: Planned Giving, Grant Proposals, Annual Appeals, and a Major Gift program.
4. Provide leadership for the Archdiocesan and Parish Annual Stewardship Appeal.
5. Provide a monthly report of face-to-face donor calls made, gifts in process, and gifts completed with a goal of 3-4 donor calls per week.
6. Make thank-you calls to selected donors and facilitate thank-you process for all donors.
7. Coordinate all fund raising activities for the parish and develop a consistent organized approach to fund raising, including a monthly calendar of events.
8. Direct the implementation of an Endowment Fund which provides opportunities for potential donors to invest in the parish through major gifts, bequests and deferred giving.
9. Attend appropriate training conferences and seminars.

SKILLS AND KNOWLEDGE REQUIRED:

Active member of a Catholic parish.
Demonstrated written and verbal communication skills.
Demonstrated supervisory and managerial skills.

REQUIRED EXPERIENCE AND EDUCATION:

One to three years related experience.
Bachelor's Degree.

NEW EMPLOYEE CHECKLIST
(Sample Only - Customize for Your Institution)

Employee Name

Date

EMPLOYMENT

- _____ Conduct background checks (as necessary)
- _____ Schedule medical exam and/or drug test (as necessary)
- _____ Other

ORIENTATION

- _____ Review institutional mission and goals
- _____ Issue office key/key card and discuss parking and security
- _____ Review assignment and equipment/supply needs
- _____ Review telephone, cell phone, e-mail, Internet access and computer access (as necessary)
- _____ Introduction to staff and office tour
- _____ Other

PERSONNEL

- _____ Issue personnel book and obtain signed receipt of acceptance
- _____ Review personnel policies:
 - Work hours/work days
 - Attendance, tardiness and absences
 - Lunch hour and coffee breaks

Time cards (if applicable)

Paid overtime (if applicable)

Sick leave

Time off for medical appointments and personal business

Salary reviews (how and when)

Periodic evaluations

Personal conduct, behavior, telephone calls and e-mails

Dress code

Confidentiality of information

Reimbursement for expenses

Continuing education

Other

_____ Review OSHA safety regulations (as necessary)

_____ Complete personnel record and emergency data section and secure file

_____ Other

BENEFITS

Explain eligibility and provide booklets and plan document summaries as necessary and obtain signed receipt forms

_____ Group health, dental and/or vision insurance (provide HIPAA privacy notice)
(Obtain: Enrollment / Change / Claim / Waiver Form (FORM COMPLETION MANDATORY))

_____ Group life and ADD insurance
(Obtain: Enrollment / Change / Claim / Waiver Form (FORM COMPLETION MANDATORY))

_____ Long term disability (LTD) insurance
(Obtain: Enrollment / Change / Claim / Waiver Form (FORM COMPLETION MANDATORY))

_____ Retirement plans (pension and tax deferred (403 (b)))
(Obtain: Enrollment / Waiver Form (FORM COMPLETION MANDATORY))

_____ Benefit Summary Sheet
(Obtain: SIGNED Acknowledgement / Acceptance Form (FORM COMPLETION MANDATORY))

_____ Vacation

_____ Paid holidays

_____ Medical expense reimbursement account (Medical 125 Plan) (provide HIPAA privacy notice)

_____ Other benefits

PAYROLL/WITHHOLDING

- _____ Confirm starting salary pay options
- _____ Complete Federal forms W-4 and I-9
- _____ Forward copy of W-4 to Nebraska State Director of New Hires (per NE Rev. Stat. 48-2301)
- _____ Complete state/local (if any) withholding forms
- _____ Process enrollment or waiver of direct deposit process
- _____ Process enrollment or waiver of medical/child care flex plan
- _____ Process enrollment or waiver of life, ADD and Long Term Disability (LTD) insurance
- _____ Process retirement plan election and beneficiary designation forms (when eligibility requirements are met)
- _____ Other

EMPLOYEE EXIT CHECKLIST
(Sample Only - Customize for Your Institution)

Employee Name

Date

LAYOFF/TERMINATION

_____ Prior to employee layoff or termination action, consult with attorney

RESIGNATION

_____ Obtain signed letter stating intended last day of employment and secure in personnel record

PROPERTY RETURN

_____ Keys and/or key card

_____ Employee ID

_____ Parking pass

_____ Vehicle

_____ Lap top computer/palm pilot

_____ Credit card(s)

_____ Phone card

_____ Equipment/tools

_____ Cell phone and/or pager

_____ Books, manuals, disks, etc.

_____ Other

SECURITY

- _____ Remove pin number access to buildings
- _____ Remove access to individual/network computer software
- _____ Remove bank account and safe deposit box access

PAYROLL

- _____ Verify mailing address
- _____ Resolve outstanding withholding issues, including reimbursement of unpaid flex pay balance
- _____ Court ordered withholding - notify appropriate child support enforcement agency of layoff/termination (as necessary)
- _____ Reimbursement outstanding business expenses
- _____ Pay unused vacation, sick leave or personal leave within policy
- _____ Notify (if possible) date(s) of final pay check(s)
- _____ Provide Federal Form W-2 by January 31st, following calendar year
- _____ Other

BENEFITS

- _____ Discuss/notify about continued health coverage
- _____ Discuss/notify about life insurance conversion
- _____ Discuss/notify about pension plan options (as applicable)
- _____ Discuss/notify about tax deferred retirement plan options (as applicable)
- _____ Discuss/notify that archdiocesan institutions do not participate in the unemployment compensation program of the State of Nebraska
- _____ Other

INTERNET USE GUIDELINE

Purpose

Access to the Internet must be related to the user's work responsibilities, for the purpose of religion, education, ministry, or research and be consistent with the educational and religious objectives of the parish/school.

The use of the Internet is a privilege, not a right, and inappropriate use, whether during work or outside of work, will result in a cancellation of those privileges, disciplinary action (up to and including suspension or expulsion) and/or appropriate legal action. Whether the use is considered inappropriate or violates this policy is a matter within the discretion of the pastor/school administrator and his decision is final.

Unacceptable Uses

- a. Using the network for any illegal activity, including violation of copyright or other contracts, or transmitting any material in violation of any U.S. or state law;
- b. Unauthorized downloading of software, regardless of whether it is copyrighted;
- c. Invading the privacy of individuals;
- d. Using another user's password or account;
- e. Using pseudonyms or anonymous sign-on;
- f. Accessing, submitting, posting, publishing, or displaying any defamatory, inaccurate, abusive, obscene, or sexually-oriented, threatening, racially offensive, harassing, or illegal material or other information and/or materials that are inconsistent with the objectives and/or teachings of the Catholic Church.
- g. Engaging in abuse of the Internet. This includes communications, in or outside of work, by personal computers or mobile devices such as cellular telephones, BlackBerrys, iPhones, smart phones, tablets, pagers and other similar devices which threaten others, violate work rules, or disrupt the workplace. Abusive Internet communication includes, for example, posting or dissemination of written material, graphics, photographs or other representations which communicate, depict, promote, or encourage:
 1. Use of illegal or controlled substances, including alcoholic beverages;
 2. Violence or threats of violence, intimidation, or injury to the property or person of another; or
 3. Lewd, offensive, sexually suggestive, or other inappropriate behavior on web pages, web sites, blogs, bulletin board systems, in e-mail communication or attachments, in discussion groups, user groups, chat rooms or any other function of the Internet or world wide web electronic media.

Your account and password are confidential and must remain so. Do not use another individual's account and confidential password.

4. Use of a photograph, image or likeness of one's self or of any other employee on any Internet or web-based site, or in any electronic communication, is prohibited, except with the express permission of the pastor/school administrator.
5. Using parish/school equipment to create a website or to transmit the likeness, image, photograph or video of any employee, is prohibited, except with the express permission of the pastor/school administrator.
6. Employees are prohibited from permitting any other individual or entity from creating a website for the parish/school, or from photographing, video graphing, or otherwise creating the likeness of any employee, for commercial purposes, advertising purposes or for Internet transmission or posting, except with the express permission of the pastor/school administrator.
7. Employees are not permitted to allow a non-employee to use a parish/school computer or other equipment unless the non-employee is an authorized volunteer.
8. The parish/school reserves the right to monitor employee use of parish/school computers, including an employee's Internet use and email use and content. Thus, employees have no expectation of privacy in their use of parish/school computers, personal electronic equipment, the Internet or email.

IT IS RECOMMENDED THAT THE ABOVE WORDING BE INSERTED IN YOUR PERSONNEL POLICY MANUAL, WITH EACH EMPLOYEE SIGNING A RECEIPT TO BE PLACED IN HIS/HER PERSONNEL FILE
--

ARCHDIOCESE OF OMAHA EXEMPT VS. NON-EXEMPT POLICY

Once it has been determined that a new hire is an 'employee' as opposed to an independent contractor (see Employee vs. Independent Contractor Classification Policy), the next decision which a parish/school must make is whether the employee is 'exempt' or 'non-exempt' from the Fair Labor Standards Act (FLSA) regulations.

EXEMPT OR NON-EXEMPT

Employees whose jobs are governed by the FLSA are either "exempt" or "non-exempt" from overtime pay. Non-exempt employees are entitled to overtime pay. Exempt employees are not.

Some jobs are classified as exempt by definition. In a parish/school setting, "ministerial employees" are excluded by definition.

MINISTERIAL EMPLOYEES

A ministerial employee is someone whose primary duties consist of teaching, spreading the faith, church governance, supervision, or participation in religious ritual or workshop. Positions included within this category include Clergy (Priest or Deacon), Religious (Nun or Brother), Deacon, Seminarian, Director of Religious Education, RCIA Director, Director of Adult Religious Formation, Liturgical Minister, Youth Minister, Director of Music, and Choir Director. For ministerial employees, the salary level and salary basis tests, described below, do not apply.

For all other parish/school employees, whether they are exempt or non-exempt depends upon: (1) how much they are paid; (2) how they are paid; and (3) what kind of work they do.

To be exempt, an employee must: (1) be paid at least \$35,568 per year (\$684 per week); (2) be paid on a salary basis; and (3) perform exempt job duties. Employees must meet all three of the following “tests” to be exempt:

1. **Salary level test** – Employees who are paid less than \$35,568 per year (\$684 per week) are, by definition, non-exempt employees. This test is applied on a ‘hard dollar’ basis and cannot be adjusted for full-time equivalency. In other words, if an employee only works one day per week, the standard is not reduced to \$7,114 (i.e. 1/5 of \$35,568). The threshold remains at \$35,568, regardless of the amount of regularly-scheduled time an employee works.
2. **Salary basis test** – Employees must be paid on a salary basis to be considered “exempt”. Generally, an employee is paid on a salary basis if he/she has a “guaranteed minimum” amount of money he/she can count on receiving for any work week in which he/she performs “any” work. This amount need not be the entire compensation received, but there must be some amount of pay the employee can count on receiving in any work week

in which he/she performs any work. Whether an employee is paid on a salary basis is not affected by whether pay is expressed in hourly terms (as this a fairly common requirement of many payroll computer programs), but whether the employee has a “guaranteed minimum” amount of pay he/she is paid every pay period.

3. **Duties tests** – An employee who meets both of the above two tests (salary level test and salary basis test) must also perform exempt job duties. These FLSA exemptions are limited to employees who perform relatively high-level work. It is the actual job tasks that must be evaluated, along with how the particular job tasks fit into the employer’s overall operations. There are three categories of exempt job duties: Executive; Professional; and Administrative. Details of these particular exemptions follow:
 - ***Executive Duties Exemption*** – An employee performs executive duties if the employee:
 1. Regularly supervises two or more employees, and
 2. Has management as the primary duty of the position, and
 3. Has genuine input into the job status of other employees (such as hiring, firing, promotions, or assignments).

Supervision must be a regular part of the employee's job, and must be of other employees. Supervision of non-employees does not meet the standard. The "two employees" requirement may be met by supervising two full-time employees or the equivalent number of part-time employees. (Two half-time employees equal one full-time employee).

"Mere supervision" is not sufficient to meet the IRS standard. In addition, the supervisory employee must have "management" as the "primary duty" of the job. The FLSA Regulations contain a list of typical management duties. These include:

- interviewing, selecting, and training employees;
- setting rates of pay and hours of work;
- maintaining production or sales records (beyond the merely clerical);
- appraising productivity; handling employee grievances or complaints, or disciplining employees;
- determining work techniques;
- planning the work;
- apportioning work among employees;
- determining the types of equipment to be used in performing work, or materials needed;
- planning budgets for work;

- monitoring work for legal or regulatory compliance;
- providing for safety and security of the workplace.

Determining whether an employee has management as the primary duty of his/her position requires a case-by-case evaluation. A “rule of thumb” is to determine if the employee is “in charge” of a department or subdivision of the parish/school.

The final requirement for the executive exemption is that the employee must have genuine input into personnel matters. This does not require that the employee be the final decision maker on such matters, but rather that the employee’s input is given particular weight. Usually, it will mean that making personnel recommendations is part of the employee’s normal job duties, that the employee makes these kinds of recommendations frequently enough to be a real part of the job, and that higher management takes the employees’ personnel suggestions or recommendations seriously.

Examples of parish/school employees who qualify under the executive duties exemption are: School President and Principal.

- ***Professional Duties Exemption*** – The job duties of the traditional “learned professions” are exempt. Teachers are included within this category. Also included are registered nurses (but not LPNs), accountants (but not

bookkeepers), and other employees who perform work requiring “advanced knowledge” similar to that historically associated with the traditional learned professions.

- ***Administrative Duties Exemption*** – The most elusive and imprecise of the definitions of exempt job duties is for exempt “administrative” job duties. The regulatory definition provides that exempt administrative job duties are:
 - office or non-manual work which is directly related to the management or the general business operations of the employer or the employer’s customers; and that
 - contain a primary component which involves the exercise of independent judgment and discretion about matters of significance.

The administrative exemption is designed for relatively high-level employees whose main job is to “keep the business running”. A useful rule of thumb is to distinguish administrative employees from “operational” or “production” employees. Administrative employees provide “support” to the operational or production employees. They are “staff” rather than “line” employees. Examples of administrative functions include labor relations personnel (human resources, payroll, and finance), records maintenance, accounting and tax, marketing and advertising, quality control, public relations, and some computer-related jobs (such as network, internet, and

database administration). The regulatory definition provides that exempt professional job duties are:

- As a primary duty, performance of work requiring advanced knowledge, defined as work which is predominantly intellectual in character and which includes work requiring the consistent exercise of discretion and judgement.
- The advanced knowledge must be in a field of science or learning and must be acquired by a prolonged course of specialized intellectual instruction.

To be exempt under the administrative exemption, the work must be office or non-manual, and must be for matters of significance. Clerical employees perform office or non-manual support work, but are not considered administratively exempt. Administratively exempt work typically involves the exercise of direction and judgment, with the authority to make independent decisions on matters which affect the business as a whole or a significant part of it.

Merely clerical work may be administrative, but it is not exempt. Most secretaries, for example, may accurately be said to be performing administrative work, but their jobs are not usually exempt. Similarly, filing, filling out forms, and preparing routine reports, answering telephones, making travel arrangements, and similar jobs are not likely to be high-level

enough to be administratively exempt. Many clerical works do in fact exercise some discretion and judgment in their jobs, but the exercise of judgment and discretion must be about matters of considerable importance to the operation of the parish/school as a whole.

Examples of parish/school employees who qualify under the administrative duties exemption are: Vice Principal; Business Manager; Finance Director; Controller; Director of Admissions; Director of Development; and IT Director.

TYPICAL NON-EXEMPT EMPLOYEES

Employees in the parish/school setting considered to be non-exempt are: secretaries; clerks; bookkeepers; receptionists; maintenance workers; custodial crew, ground crew personnel; organists; cantors; and musicians.

RIGHTS OF EXEMPT EMPLOYEES

An exempt employee has virtually no rights at all under the FLSA overtime rules. Essentially all that an exempt employee is entitled to under the FLSA is to receive the full amount of the base salary in any work period during which he/she performs any work (less any permissible deductions). Nothing in the FLSA prohibits an employer from requiring exempt employees to “punch the clock”, or work a particular schedule, or “make up” time lost due to absences. Nothing in the FLSA limits the amount of work time an employer may require or expect from any employee, on any schedule.

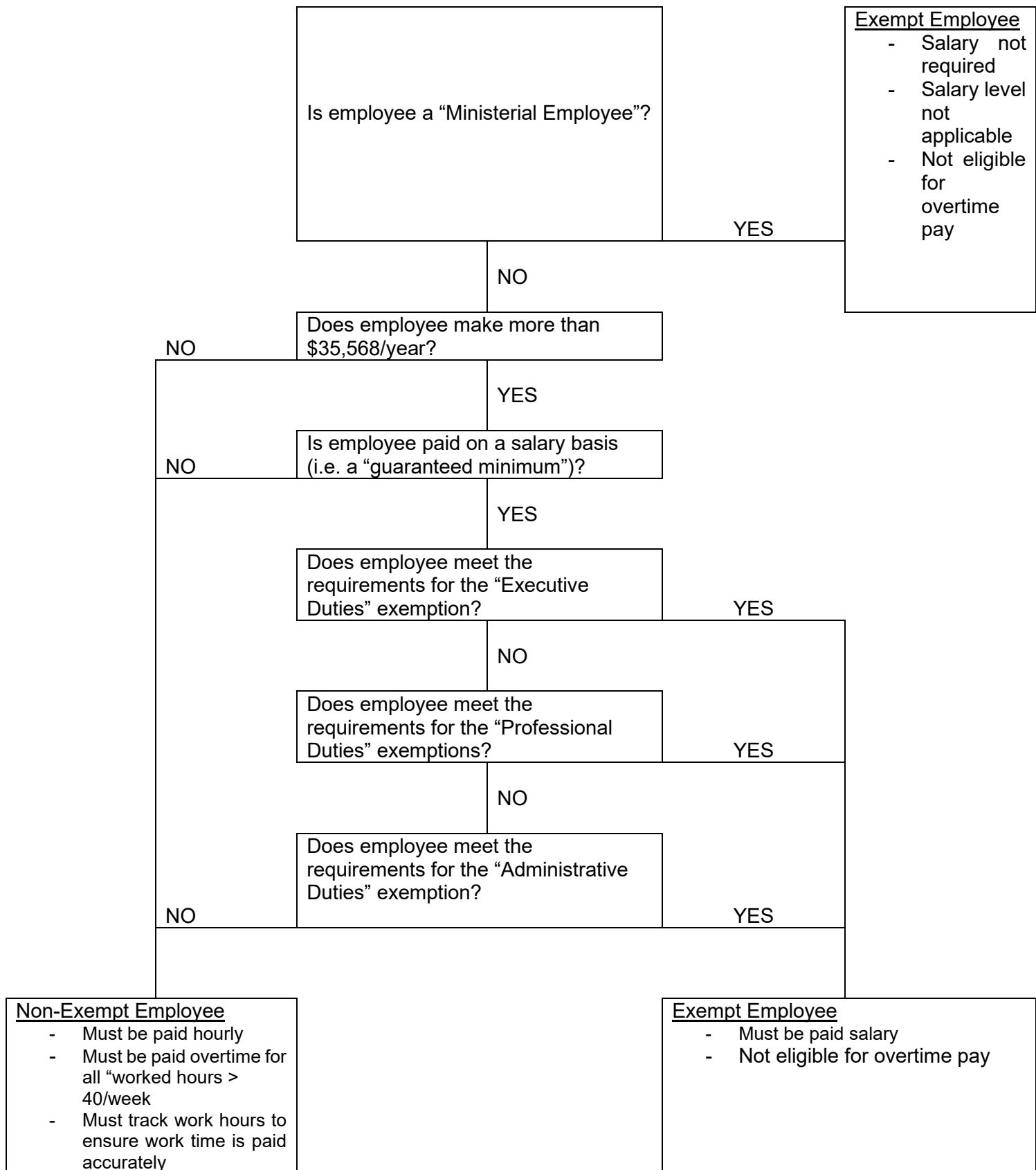
RIGHTS OF NON-EXEMPT EMPLOYEES

Under the FLSA, non-exempt employees are entitled to time and one-half of their “regular rate” of pay for each hour they actually work over 40 hours in any given week. Paid time off such as holidays, vacation time, sick time, etc. does not count towards the time and one-half overtime requirement.

DECISION TREE

The decision tree on the next page will assist parishes/schools with the proper ‘exempt’ vs. ‘non-exempt’ determination for their employees. Employees who do not qualify for “exempt” status should be paid on an hourly basis to ensure proper compliance with all overtime and minimum wage regulations.

Parishes/Schools with questions on whether a particular employee/position falls within one of the ‘duties’ exemptions should contact the Human Resources Office of the Archdiocese or Archdiocesan Legal Counsel for assistance.



HEALTH INSURANCE PORTABILITY AND ACCOUNTABILITY ACT OF 1996

Purpose:

In 1996, the United States Congress passed the most comprehensive act regarding health care since the Medicare Act. This act, the Health Insurance Portability and Accountability Act of 1996 (HIPAA), affects all areas impacting the privacy and security of certain health information. Many of the departments and agencies, as well as the parishes and schools of the Archdiocese of Omaha are subject to HIPAA, because they either sponsor an employee health care plan or are involved in a health care activity.

Compliance:

It is the intent of the Archdiocese of Omaha to adhere to the Act, by informing employees about their privacy rights with regard to the protection and authorized disclosure of their medical information and by insuring that specific individuals within an organization responsible for these duties, are properly trained and counseled.

Conclusion:

The Archdiocese of Omaha has designed the Archdiocesan Finance Officer to serve as the Privacy Officer for HIPAA compliance. Institution or employee questions, issues or requests for materials should be directed to his attention at the Chancery.

PATIENT PROTECTION AND AFFORDABLE CARE ACT (OBAMACARE)

Purpose

In 2010, the Patient Protection and Affordable Care Act (PPACA), otherwise known as Obamacare, was signed into law. Its purpose was to provide a framework under which the affordability, quality and availability of healthcare would be expanded in the United States. It is anticipated that this federal legislation will impact all archdiocesan institutions.

Compliance

It is the desire of the Archdiocese of Omaha to provide materials, information and consultation to assist institutions in their efforts to comply with the federal requirements regarding healthcare that are not morally and doctrinally objectionable. However, ultimately it will be the responsibility of each parish and school to comply with PPACA regulations in order to avoid potential monetary penalties and avoid losing the ability to participate in the lay employee health plan. UnitedHealthCare is the administrator of the archdiocesan lay employee health plan, and this is the only coverage that has been approved by the Archdiocese of Omaha.

The Archdiocese of Omaha has adopted the following guidelines to assist institutions' compliance efforts:

1. Each institution must add the Exchange Notice to materials provided to newly hired employees. (Exhibit 1). You may visit www.healthcare.gov for more information.
2. Each institution must annually offer the archdiocesan lay employee health plan to any employee working an average of 30 hours per week (or 130 hours per month). If an eligible employee declines the offer of coverage, the institution must secure a freely obtained written waiver from the employee and keep the waiver in the employee's personnel file.
3. Each institution must annually calculate each employee's cost of coverage (for the lowest-cost employee-only coverage offered) and verify the cost of coverage is "affordable" for each eligible employee under at least one of the safe harbor tests provided under PPACA. Each institution must also retain affordability calculation worksheets in the appropriate personnel files. (Exhibit 2).
4. Each institution must avoid increasing any employee's percentage share of premium and avoid decreasing the amount of percentage share of premium, without first consulting the Archdiocesan Finance Office.

5. Each institution must avoid executing employee contracts containing provisions that conflict with PPACA.
6. Each institution must analyze its staffing requirements annually and make the appropriate budgetary decisions to keep healthcare affordable for each individual eligible employee.
7. To minimize the complicated, ongoing attendance calculations and other administrative burdens required by Obamacare to verify which employees must be offered healthcare, it is strongly recommended that each institution not allow any part-time employee to work more than 25 hours per week.

Conclusion

The Archdiocesan Finance Office is available to assist the parishes and schools of the Archdiocese of Omaha with technical and legal assistance to avoid losing the ability to continue participating in unobjectionable healthcare plans. If you or your institution require assistance, please contact the Archdiocesan Finance Office.

EXHIBIT 1

EXCHANGE NOTICE



New Health Insurance Marketplace Coverage Options and Your Health Coverage

Form Approved
OMB No. 1210-0149
(expires 11-30-2013)

PART A: General Information

When key parts of the health care law take effect in 2014, there will be a new way to buy health insurance: the Health Insurance Marketplace. To assist you as you evaluate options for you and your family, this notice provides some basic information about the new Marketplace and employment-based health coverage offered by your employer.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers "one-stop shopping" to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins in October 2013 for coverage starting as early as January 1, 2014.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

You may qualify to save money and lower your monthly premium, but only if your employer does not offer coverage, or offers coverage that doesn't meet certain standards. The savings on your premium that you're eligible for depends on your household income.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. If you have an offer of health coverage from your employer that meets certain standards, you will not be eligible for a tax credit through the Marketplace and may wish to enroll in your employer's health plan. However, you may be eligible for a tax credit that lowers your monthly premium, or a reduction in certain cost-sharing if your employer does not offer coverage to you at all or does not offer coverage that meets certain standards. If the cost of a plan from your employer that would cover you (and not any other members of your family) is more than 9.5% of your household income for the year, or if the coverage your employer provides does not meet the "minimum value" standard set by the Affordable Care Act, you may be eligible for a tax credit.¹

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by your employer, then you may lose the employer contribution (if any) to the employer-offered coverage. Also, this employer contribution—as well as your employee contribution to employer-offered coverage—is often excluded from income for Federal and State income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

How Can I Get More Information?

For more information about your coverage offered by your employer, please check your summary plan description or contact _____.

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit HealthCare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

¹ An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs.

PART B: Information About Health Coverage Offered by Your Employer

This section contains information about any health coverage offered by your employer. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer name		4. Employer Identification Number (EIN)	
5. Employer address		6. Employer phone number	
7. City	8. State	9. ZIP code	
10. Who can we contact about employee health coverage at this job?			
11. Phone number (if different from above)		12. Email address	

Here is some basic information about health coverage offered by this employer:

- As your employer, we offer a health plan to:
 - ☐ All employees.
 - ☐ Some employees. Eligible employees are:
 - With respect to dependents:
 - ☐ We do offer coverage. Eligible dependents are:
 - ☐ We do not offer coverage.
 - ☐ If checked, this coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.
- ** Even if your employer intends your coverage to be affordable, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If, for example, your wages vary from week to week (perhaps you are an hourly employee or you work on a commission basis), if you are newly employed mid-year, or if you have other income losses, you may still qualify for a premium discount.

If you decide to shop for coverage in the Marketplace, HealthCare.gov will guide you through the process. Here's the employer information you'll enter when you visit HealthCare.gov to find out if you can get a tax credit to lower your monthly premiums.

The information below corresponds to the Marketplace Employer Coverage Tool. Completing this section is optional for employers, but will help ensure employees understand their coverage choices.

13. Is the employee currently eligible for coverage offered by this employer, or will the employee be eligible in the next 3 months?

☐ Yes (Continue)

13a. If the employee is not eligible today, including as a result of a waiting or probationary period, when is the employee eligible for coverage? _____ (mm/dd/yyyy) (Continue)

☐ No (STOP and return this form to employee)

14. Does the employer offer a health plan that meets the minimum value standard*?

☐ Yes (Go to question 15) ☐ No (STOP and return form to employee)

15. For the lowest-cost plan that meets the minimum value standard* offered **only to the employee** (don't include family plans): If the employer has wellness programs, provide the premium that the employee would pay if he/ she received the maximum discount for any tobacco cessation programs, and didn't receive any other discounts based on wellness programs.

a. How much would the employee have to pay in premiums for this plan? \$

b. How often? ☐ Weekly ☐ Every 2 weeks ☐ Twice a month ☐ Monthly ☐ Quarterly ☐ Yearly

If the plan year will end soon and you know that the health plans offered will change, go to question 16. If you don't know, STOP and return form to employee.

16. What change will the employer make for the new plan year?

☐ Employer won't offer health coverage

☐ Employer will start offering health coverage to employees or change the premium for the lowest-cost plan available only to the employee that meets the minimum value standard.* (Premium should reflect the discount for wellness programs. See question 15.)

a. How much will the employee have to pay in premiums for that plan? \$

b. How often? ☐ Weekly ☐ Every 2 weeks ☐ Twice a month ☐ Monthly ☐ Quarterly ☐ Yearly

Date of change (mm/dd/yyyy):

* An employer-sponsored health plan meets the "minimum value standard" if the plan's share of the total allowed benefit costs covered by the plan is no less than 60 percent of such costs (Section 36B(c)(2)(C)(i) of the Internal Revenue Code of 1986)

EXHIBIT 2

A
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Employee _____ Wages for Calendar Year _____ \$ _____ (Form W-2, Box 1)

Affordable
(9.5% or less)

Not Affordable
(Over 9.5%)

FORM W-2 TEST

(yes or no) (yes or no)

Full Year Coverage for Employee – Example #1

Employee Premium Per Month \$ 150 X 12 (months) = Annual Employee Premium \$ 1,800 / Wages During Coverage \$ 32,000 = Cost of Coverage 5.63 %

YES

Partial Year Coverage for Employee – Example #2

Annual Employee Wage \$ 31,200 / 12 (months) = Wage Per Month \$ 2,600 X 7 = Months of Coverage 7 = Wages During Coverage \$ 18,200

Employee Premium Per Month \$ 150 X 7 = Months of Coverage 7 = Annual Employee Premium \$ 1,050 / Wages During Coverage \$ 18,200 = Cost of Coverage 5.77 %

YES

RATE OF PAY TEST

Hourly Staff Example #1

Rate of Pay Per Hour \$ 12.15 X 130 hours = Wages Per Month \$ 1,579.50

Employee Premium Per Month \$ 150 / Wages Per Month \$ 1,579.50 = Cost of Coverage 9.5 %

YES

Salaried Staff – Example #2

Annual Employee Wage \$ 36,000 / 12 (months) = Wages Per Month \$ 3,000

Employee Premium Per Month \$ 180 / Wages Per Month \$ 3,000 = Cost of Coverage 6 %

YES

FEDERAL POVERTY LINE TEST

Current Poverty Line for Single Person in Nebraska \$ 11,170 / 12 (months) = Poverty Line Per Month \$ 931

Employee Premium Per Month \$ 150 / Poverty Line Per Month \$ 931 = Cost of Coverage 16.1 %

NO

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Employee _____ Wages for Calendar Year _____ \$ _____ (Form W-2, Box 1) Affordable (9.5% or less) Not Affordable (Over 9.5%)

FORM W-2 TEST

(yes or no) (yes or no)

Full Year Coverage for Employee – Example #1

Employee Annual Wages
Premium Employee During
Per Month \$ _____ X 12 (months) = Premium \$ _____ / Coverage \$ _____ = Cost of Coverage _____ % _____

Partial Year Coverage for Employee – Example #2

Annual Employee Wage
Wage \$ _____ / 12 (months) = Wage Per Month \$ _____ X _____ = Wages During Coverage \$ _____

Employee Months of Annual Wages
Premium Coverage Premium Employee During
Per Month \$ _____ X _____ = Premium \$ _____ / Coverage \$ _____ = Cost of Coverage _____ % _____

RATE OF PAY TEST

Hourly Staff Example #1

Rate of Wages
Pay Per Per
Hour \$ _____ X 130 hours = Month \$ _____

Employee Wages
Premium Per
Per Month \$ _____ / Month \$ _____ = Cost of Coverage _____ % _____

Salaried Staff – Example #2

Annual Wages
Employee Per
Wage \$ _____ / 12 (months) = Month \$ _____

Employee Wages
Premium Per
Per Month \$ _____ / Month \$ _____ = Cost of Coverage _____ % _____

FEDERAL POVERTY LINE TEST

Current Poverty Poverty
Line for Single Line Per
Person in Nebraska \$ _____ / 12 (months) = Month \$ _____

Employee Poverty
Premium Line Per
Per Month \$ _____ / Month \$ _____ = Cost of Coverage _____ % _____

BUDGETING / REPORTING

Purpose

In accordance with Canon law (1284.3) and Archdiocesan policy, each parish of the Archdiocese is to provide and protect the financial resources needed to accomplish its ministries and programs during the fiscal year.

Preparing the Parish Budget

An annual parish budget should address the goals and objectives of the parish, a faith community and a corporation, which are determined by the pastor, in consultation with the parish pastoral and finance councils. It should include the needs of the parishioners in the areas of liturgy, parish schools, education, religious education, community concerns, family life, etc.

Each parish must keep the same account structure (refer to archdiocesan chart of accounts) to meet the monthly reporting format required by the Archdiocese to create consolidated financial statements in QuickBooks

Reporting to the Archdiocesan Finance Office

Prior to June 1st of each year, each parish shall complete and input their budget into QuickBooks and return a copy to the Chancery Finance Office (Canon 1287.1). It shall include the same chart of accounts that a parish uses to report monthly financials to the Archdiocese. The following program categories are required to a parish when budgeting and reporting its operational results:

- | | |
|-------------------------|------------------------------|
| 1. Secondary Education | 5. Other (Parish Discretion) |
| 2. Elementary Education | 6. Day Care |
| 3. Religious Education | 7. Clubs & Groups |
| 4. Parish | |

Reporting to the Parish

Canons 1284.2.8 and 1287.2 require an annual report on the administration of parish receipts and expenditures to the parish faithful. Policy of the Archdiocese of Omaha calls for a comparison against the parish annual budget as part of this annual presentation.

Conclusion

Any questions regarding the above budget processes should be addressed to the Archdiocesan Finance Office.

ACCOUNTING

Purpose

In accordance with Canon law (1284.2.7) each parish is to keep a well ordered record of receipts and expenditures and to report these results each year to the Archbishop (Canon 1287.1).

Uniform Accounting

The Archdiocese of Omaha maintains a uniform budgeting, accounting and reporting system for all parishes. Within this system, a four digit identification number is assigned to each parish. All correspondence and documents are controlled by this number.

A "chart of accounts" is maintained by the Archdiocesan Finance Office to determine the proper accounts to charge receipts and disbursements. Each parish, however, must keep the same account structure (refer to archdiocesan chart of accounts) to meet the monthly reporting format required by the Archdiocese to create consolidated financial statements.

Financial Reports

Each month, a parish's actual receipts and expenditures are recorded, compared against its budget and the following financial reports are created: balance sheet, income statement by parish program, trial balance.

These financial reports should reflect the complete financial picture of a parish's assets, liabilities, income and expenses. Each parish's monthly financial report will be downloaded for consolidation by the Archdiocesan Finance Office by no later than the TENTH DAY OF THE FOLLOWING MONTH. A phone call or email should be sent to the Finance Office when a parish cannot meet this schedule.

Conclusion

Any questions concerning the above should be forwarded to the Archdiocesan Finance Office.

**ACCOUNTABILITY AND REPORTING OF
GROUP / CLUB FUNDS**

Purpose

To define the responsibility of a pastor or school administrator of a non parish Archdiocesan school for oversight of monies raised by various parish or schools groups and athletic clubs, as required by Church law and Archdiocesan policy.

Church Property

The proper control of Church resources is required by Church law (Canon 1284.2.4). Funds raised by a parish or non parish Archdiocesan school are considered Church property and subject to the control of the pastor or school administrator under the following circumstances:

1. If monies are raised using the parish or school name.
2. If monies are raised using the Archdiocese's blanket federal tax exemption identification number.
3. If monies are raised for a specific parish or school purpose and must be so restrictedly used, in order to legally fulfill the donor intention under which they were solicited.

Oversight Responsibility

Oversight of Church funds protects those individuals who are involved in their receipt and expenditure or who have fiduciary responsibility for their safety. These parties include:

1. Parish/school staff, parish finance councils, school finance committees and volunteers.
2. The parish pastor, as secretary/treasurer of the parish corporation or the school administrator for the school corporation.
3. The Archbishop, as president of the parish or school corporation.

Internal Control Policies and Procedures

Minimally, the pastor/parish finance council or school administrator/school finance committee must periodically review internal control policies and procedures in order to answer the following questions when considering the activities of supporting groups and clubs:

1. Who delegates responsibility for raising and distributing funds?
2. Is the pastor/school administrator an authorized signer? Who are authorized signer(s) on the bank account(s)?
3. Are there unnecessary bank accounts used in management of these funds?
4. Does the pastor/school administrator have access to these funds?
5. Is the pastor/school administrator receiving unopened monthly bank statements?
6. Are formal financial reports (income statement and balance sheet) generated and made available to the pastor or school administrator?

7. Are monies raised properly recorded through the books of the parish/school?
8. Is the Office of the Archbishop approving all extraordinary expenditures over \$30,000 as required by the Archdiocese?
9. Are fundraising event and cash control guidelines suggested by Catholic Mutual being followed?
10. Are employees receiving monies which may be taxable, provided the proper tax forms, i.e. Federal Form W-2 or Federal Form 1099?
11. Are all other federal, state and local laws and regulations being met?
12. Are funds being expended for the original authorized purposes for which they were raised?
13. Are all accounts being reported on the parish/school financial statements?

Conclusion

Parish/school funds are generated through the hard work and generosity of many groups and clubs to support the numerous ministries and projects of the local Catholic community. It is mandatory as part of the stewardship process of the Archdiocese of Omaha, that the ultimate oversight of these monies be the responsibility of the parish pastor or school principal or president NOT those individuals who hold positions within a group or club. The only valid exceptions are those instances in which a local chapter is formally affiliated with and accountable to a separately incorporated national office, such as the Knights of Columbus.

Questions concerning the above should be directed to the Archdiocesan Finance Director.

RECORD RETENTION/DISPOSAL

INTRODUCTION

The following records retention guidelines were prepared to establish control over routine records and to preserve records of permanent value. Retention periods are based on canon law, state and federal statutes, and practical diocesan/parish realities.

TYPES OF RECORDS

All records created or acquired by employees or volunteers in the course of conducting business or personnel matters, whether in print, handwritten, electronic, or other media, are the property of the employer and are covered by these guidelines. Employees who create or acquire possession of these records do not attain a proprietary interest in these records: they belong to the employer and not to the employee or volunteer. The willful destruction, removal, or misuse of employer records is prohibited and violators will face disciplinary action up to and including termination. All employees and volunteers are responsible for reporting any actual or threatened loss or misuse of records to their supervisor.

ELECTRONICALLY STORED INFORMATION (ESI)

ESI covers every type of information that can be created, transmitted or stored electronically. ESI includes, but is not limited to: email, text documents, spreadsheets, databases, voicemail, text messages, cell phone call logs, server logs, configuration files, archives, contents of Treo, Blackberry, or pda memory, magnetic imprints left on hard disks, and any other bit of data or information that is stored anywhere in electronic form. ESI also includes any metadata associated with any of the types of information.

RECORDS RETENTION SCHEDULES

Records retention schedules represent the period of time that records must be kept according to legal and/or organizational requirements. Records older than the retention period should be destroyed. Those of permanent value should be stored appropriately.

A. Administrative Records

These records are produced in the course of the management of the affairs of the diocese/parish^(a):

Records Type	Retention Period
Abstracts, deeds (property)	Permanent
Annual reports to Chancery (<i>Status Animarum</i>)	Permanent
Annual reports to the diocese/parish	Permanent
Articles of incorporation and bylaws	Permanent
Bequest and estate papers (<i>wills</i>)	Permanent
Census records	Permanent
Contracts, inactive	7 years after end of contract
Correspondence, legal	Permanent
Correspondence, official (<i>regarding diocesan/parish policies, diocesan/parish directive, etc.</i>)	Permanent
Correspondence, routine	Review/discard bi-annually
Donor lists	Permanent
Endowment decrees	Permanent
Finance Committee minutes	Permanent
Historical file (<i>newspaper clippings, photos, etc., related to diocese/parish</i>)	Permanent
Insurance policies	Permanent
Inventories of property and equipment	Permanent
Leases	Destroy 7 years after expiration
Liturgical minister's schedules (<i>altar servers, ushers, lectors, etc.</i>)	Retain until superseded
Mass intention books	2 years
Office files, subject	Selective retention: retain those that document diocesan/parish administration and activities
Parish council constitutions	Retain until superseded
Parish council minutes	Permanent
Diocese/parish organization records (<i>minutes, correspondence, publications, etc.</i>)	Permanent
Photographs (<i>relating to diocesan/parish history, clergy, parishioners</i>)	Permanent
Policy statements	Permanent
Religious education reports (<i>for the diocesan offices</i>)	Permanent
Rosters of parishioners	Permanent
Subject files (<i>correspondence, memos, rules, schedules, etc.</i>)	Annual review (destroy superseded files biannually)
Will, testaments, codicils	Permanent

B. Investigations, Disputes, and Litigation Records

Actual or imminent litigation should cause an automatic suspension in the disposal of any and all records, including ESI, that might be in any way relevant to the litigation. Anything that relates to a matter that is known or suspected to be under investigation, in dispute, or subject to litigation must be retained and may not be destroyed or altered, even if it would otherwise be destroyed under these guidelines. Destruction of any materials in these situations could have severe consequences to the employer and to the individual employees who are responsible for the destruction. These consequences could include jail time and other criminal and civil penalties. If there is any question to whether something is the subject of an investigation, dispute, or litigation, contact legal counsel.

The retention period for these records should be determined by the specific organization in consultation with legal counsel.

C. Personnel Records

Records Type	Retention Period
Benefits	
Disability records	Permanent
Pension vesting files	Permanent
Retirement benefits	Permanent
Service records	Permanent
General	
Permanent earnings and records	7 years after benefit termination
Attendance records	7 years after termination
Employee contracts	7 years after termination
Employee salary schedules	7 years after termination
Health and safety ^(b)	
Accident/injury reports	7 years
Employee medical complaints	7 years
Employee medical records	30 years from termination
Environmental test records/reports	Permanent
Hazardous exposure records	Permanent
Toxic substance exposure	Permanent
Workers' compensation records	12 years after injury (filing), death, or last compensation payment
Lay Personnel actions	
Applications rejected	1 year
Employee evaluations	2 years after termination
Personnel files, terminated	7 years
Termination records	7 years

Salary administration

W-2 forms	7 years from time of filing
W-4 forms	7 years from date of filing
Time cards	3 years from date of filing
Time sheets	3 years from date of filing
I-9 form	7 years

D. Student Files

Student cumulative records and CSIR (immunization cards) should be retained for a period of ten (10) years after the date of graduation. In instances where a student did not graduate and/or transferred, retain the cumulative record and CSIR for a period of ten (10) years following such date that the student would have graduated. Student disciplinary files containing matters involving moral turpitude (e.g. drugs, weapons, sexual misconduct or harassment) should be retained for a period of four (4) years after graduation and, if a student did not graduate and/or transferred, retain the student disciplinary file for a period of four (4) years following such date that the student would have graduated.

E. Financial and Accounting Records

Records Type	Retention Period
---------------------	-------------------------

Financial

Banking

Bank deposits	7 years
Bank statements	7 years
Cancelled checks	7 years
Check registers/stubs	7 years

General

Audit reports	Permanent
Balance sheets, annual	Permanent
Balance sheets, monthly/quarterly	Destroy after 1 year
Budgets, approved, revised	7 years
Financial reports, annual	Permanent
Financial reports, monthly	Destroy after 1 year
Financial statements	Permanent

Investment/Insurance

Bonds, cancelled	7 years from date of cancellation
Certificates of deposit, cancelled	3 years after redemption
Insurance policies/active	Permanent
Insurance policies/cancelled	Permanent
Letters of credit	7 years
Mortgage records	Permanent
Securities sales	7 years
Stock investment	7 years after sale

Accounting

Accounts payable invoices	7 years
Accounts payable ledgers	7 years
Accounts receivable ledgers	7 years
Credit card statements/charge slips	7 years
Invoices and paid bills, major building construction	Permanent
Invoices and paid bills, general accounts	7 years
Cash books	7 years
Cash journals	7 years
Cash journal, receipts on offerings and pledges	7 years
Receipts	7 years
Mortgage payments	7 years

Other Records

General ledger/annual	Permanent
Journals, general and specific funds	Permanent
Journal entry sheets	7 years
Ledgers, subsidiary	7 years
Payroll journals	7 years
Payroll registers, summary schedule of earnings, deductions and accrued leave	7 years
Pension records	Permanent
Pledge registers/ledgers	7 years
Permanently restricted gift documents	Permanent
Temporarily restricted gift documents	7 years after meeting restrictions

Tax Records

Employment taxes, contributions, and payments, including taxes withheld, FICA	7 years from date of filing
W-2 forms	7 years from date of filing
W-4 forms	7 years from date of filing
IRS exemption determination letters, for organizations other than those listed in <i>The Official Catholic Directory</i>	Permanent
Form 990	Permanent
State tax exemption certificates (income, excise, property, sales/use, etc.)	Permanent

F. Property Records

Records Type	Retention Period
Architectural records, blueprints, building designs, specifications	Permanent
Architectural drawings	Permanent
Deeds files	Permanent
Mortgage documents	Permanent
Property appraisals	Permanent
Real estate surveys/plots, plans	Permanent
Title search papers and certificates	Permanent

G. Cemetery Records

Records Type	Retention Period
Account cards (<i>record of lot ownership and payments</i>)	Permanent
Annual report	Permanent
Bank statements	7 years
Board minutes	Permanent
Burial cards (<i>record of interred's name, date of burial, etc., alphabetically</i>)	Permanent
Burial record (<i>record of interred 's name, date of burial, etc.</i>)	Permanent
Contracts documenting lot ownership	Permanent
Correspondence	Selective retention: keep if item has historical, legal, fiscal value
General ledger	Permanent
Lot maps	Permanent

H. Publications

Records Type	Retention Period
Anniversary books	Permanent
Annual reports to the diocese/parish	Permanent
Newsletters of the diocese/parish or affiliated organizations	Permanent
Other diocese/parish-related publications	Permanent
Parish bulletins	Permanent

I. Sacramental Records

Records Type	Retention Period
Baptism register	Permanent
Confirmation register	Permanent
First Communion register	Permanent
Death Register	Permanent
Marriage Register	Permanent
Marriage case files	Permanent

CONVERSION OF RECORDS

Some organizations will find it convenient to convert certain records from electronic to hard copy format for long-term retention purposes. Others might prefer to convert their paper records to an electronic form of storage, or have them transferred to CD or DVD-ROM or other more advanced media that comes into use. One must bear in mind, however, that changes in technology may necessitate backup and/or revised methods of record retention to assure access to the same. Do not rely exclusively on computer system backups alone as those generally have limited time frames.

RECORDS DISPOSAL

Under the Fair and Accurate Transactions Act of 2003 (FACT), the Fair Trade Commission (FTC) has directed that all "consumer information" collected by employers must be properly safeguarded and when the decision is reached, to properly destroy it. Consumer information ^(c) is defined as any record about an individual which is derived from a consumer report which is related to his/her credit worthiness, reputation, personal characteristics, employment background, check-writing history, insurance claims, residential or tenant history or medical history.

Custody of consumer information identified for destruction must be limited to only those persons with that responsibility. The method of disposal must render the data unreadable and incapable of being reconstructed:

paper forms - must be shredded, burned or pulverized

electronic media - must be deleted, wiped or otherwise erased electronically, or physically made inoperable through

General Tips

- Some records that may be purged may be filed with records that need to be retained. You may want to retain the whole file in the event that the benefit of purging the records may not outweigh the time it takes to do the purge.
- When storing boxes put a "destroy after" date on the box so that the records need not be reviewed again.
- Putting a date on the label of an inactive file can simplify the purging process.
- Have a "purge day" every year. Set aside a day for the whole office to review, organize, toss, and archive files.

Contractors engaged in the business of consumer information destruction must be able to demonstrate the capacity to comply with the requirements of this policy

Questions regarding record retention or record disposal may be directed to the Archdiocesan Finance Office.

Notes

- (a) Initial format and contents drawn from Archdiocese of Milwaukee, *Records Retention Guidelines for Parish Records* (Milwaukee: Archdiocese of Milwaukee, 1998).
June 03, 2003 Copyright © by United States Conference of Catholic Bishops
- (b) Employee health related information must be protected and disclosed within HIPAA guidelines
- (c) Personal identifiers, beyond a person's name, alone or in combination, may include social security number, telephone number, driver's license number, home address and e-mail address.

CASH RECEIPT PROCESSING

Purpose

All funds raised and recorded in the name and/or tax identification number of a parish corporation is considered church property. The proper oversight of church property is required by church law (Canon 1284.2.4). Each pastor or parish administrator is responsible for safeguarding the weekly sacrificial offerings of the parish community, as well as all other funds received to support the mission and ministries of the parish.

Sunday/Holyday Offerings and Special Collections

Before each mass an adult usher will record the date, time and his/her name on a pre-numbered tamper proof bag, as well as complete and detach the perforated bag receipt, placing it in the bag.

Following the collection of the offering, two unrelated ushers will bring it forward to the altar in a collection basket.

Immediately following each mass, two unrelated ushers will place the offering in the tamper proof bag, sealing and transporting it to a secure location (a safe is preferred) on the parish property, before it is counted. Access to the secure area must be limited to authorized individuals only, with the key or safe combination appropriately safeguarded.

Each bag must be inspected for any tampering and opened in the presence of at least two unrelated parties. **The pastor or parish bookkeeper/business manager must never be involved in the money counting/deposit preparation processes.** There must be at least multiple counting teams of at least two adults, for purposes of rotation.

A collection sheet must be maintained to record receipts from each mass, detailing the amounts received in coin, bills and checks (see example 1). The totals entered on the collection sheet must match the perforated bag receipt(s) and bank deposit slip(s).

Once the counting process is completed, the offering/collections must be placed in a new tamper-proof bag with the original copy of the bank deposit slip(s). The exterior of the bag must be dated, totaled, and signed by at least two members of the counting team.

All perforated bag receipts, calculator tapes and copies of the bank deposit slip(s) must be stapled to the collection sheet and forwarded to the parish bookkeeper/business manager, so the deposit(s) may be recorded to the parish books.

The deposit must be taken directly to the bank for deposit by a designated member of the counting team. **The pastor or parish bookkeeper/business manager must never transport collection deposits to the bank, except in those situations in which parish size prohibits the segregation of such duties.**

When the parish bookkeeper/business manager receives the collection sheet he/she must reconcile the number of bags used against the sequence of the beginning and ending bag numbers. Any discrepancy should be investigated. The pastor must be notified by the bookkeeper/business manager about missing bags or bags used out of sequence.

In the event a bank statement reflects an immaterial deposit variance to the amount that was recorded to the collection sheet, bag receipts, and bank deposit slips, an adjustment must be made to the collection sheet and initialed by the pastor. The appropriate adjusting entry would be made to QuickBooks to reconcile the bank statement to the parish books. **Any material variance must be immediately reported to the pastor for appropriate administrative action.**

Other Cash Receipts

The business office of a parish or school is the custodian of coin and currency, checks, money orders, credit card data and other financially related information received, with the necessary exception of the offsite operation of groups and clubs. Employees are responsible for ensuring that control procedures are in place to secure the collection and proper receipt of monies. All monies must be deposited or at a minimum, transferred to the Business Office by the close of each business day. At least two authorized staff persons should be involved in the daily receipt and deposit of funds received through the parish and/or school business offices during the normal course of activities. In smaller parishes with limited staffs, the pastor, must by necessity, verify the accuracy of the work performed by the parish bookkeeper/business manager, by reviewing and initialing bank deposits, cash receipt book entries, deposit and cancelled check information provided by the bank. The parish finance council members and its chairperson, must be regularly informed of both monthly, year to date and cyclical receipt detail and trends impacting the parish.

Conclusion

Compliance with the above policy and procedure is not optional. Any questions may be addressed to the Archdiocesan Finance Office.

EXHIBIT 1

Parish Deposit Record Control Sheet

Parish Name : _____

Parish ID # : _____

Date (s) of Collection (s) : _____

Source of Receipts		
Account Number	Account Name	Amount
3030	Sunday Collection—Envelopes	\$
3031	Sunday Collection—Cash & Coin	
3032	Christmas	
3033	Easter	
3034	Collections—Holy Day	
3036	Votive Lights	
3037	Debt Retirement	
3039	Children	
3060	Fuel	
	Total Deposit	\$

Deposit Summary	
Currency	\$
Coin	
Checks	
Total Deposit	\$

**Must Equal Source of Receipts
Total Deposits**

Name (s) of Money Counters

Signature (s) of Money Counters (circle name of depositor)

Deposit agrees to validated bank deposit slip	For Internal Use Only: ☐ YES ☐ NO	Date: _____
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Tamper—Proof Bag Control Log

Date	Mass Time	Bag Number (s)	Usher Name (s)	Usher Signature (s)	Bag (s) Opened by
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

EXHIBIT 1

Employee Business Expense Report

Last Name :	First Name :	MI :	Period Ending Date:
Division:	Project:	Program:	

SECTION 1—EXPENSES

Date:		Sunday / /	Monday / /	Tuesday / /	Wednesday / /	Thursday / /	Friday / /	Saturday / /
Location								
TRAVEL & LODGING	AUTO MILEAGE							
	MILEAGE ALLOWANCE							
	GASOLINE							
	CAR RENTAL / TAXI							
	PARKING / TOLLS							
	AIR OR OTHER							
	LODGING							
MEALS	BREAKFAST							
	LUNCH							
	DINNER							
MISC								
TOTAL EXPENSES								

SECTION II—EXPLANATION OF BUSINESS ENTERTAINMENT EXPENSES (ENTER AMOUNTS IN SECTION I)

DATE	PLACE	PERSON(S) / COMPANY	RELATIONSHIP CODE	BUSINESS PURPOSE	AMOUNT
BUSINESS RELATIONSHIP CODE 1. Present Customer 2. Prospective Customer 3. Company / Business Meeting 4. Employee 5. Prospective Customer 6. Convention 7. Other (Explain in Section III)					

SECTION III—COMMENTS

SECTION IV—REIMBURSEMENT SUMMARY

SECTION I EXPENSES	ALL EXPENSES ON THIS REPORT WERE INCURRED BY ME WHILE PERFORMING WORK RELATED BUSINESS		Account #	Amount	Project ID	Program
Less Company Charge Card						
1)	()	Signed _____ Date _____				
2)	()					
Less Cash Advance	()					
Subtotal						
Amount Returned	()					
Amount Due Employee		Approved _____ Date _____				

EXHIBIT 2

Vehicle Mileage Log							
Last Name :		First Name :		MI :		Period Ending Date:	
Division:			Project:			Program:	
SECTION I—MILEAGE							
Date:	Destination (City, Town or Area)	Business Purpose	Odometer Reading			Expenses	
			Start	Stop	Miles	Gas, Oil, Etc.	Amount
TOTAL					TOTAL		
SECTION II—REIMBURSEMENT SUMMARY							

SECTION I EXPENSES Less Company Charge Card _____ 1) () 2) () Less Cash Advance () Subtotal _____ Amount Returned () Amount Due Employee _____	ALL MILEAGE ON THIS REPORT WERE INCURRED BY ME WHILE PERFORMING WORK RELATED BUSINESS Signed _____ Date _____ Approved _____ Date _____	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="padding: 5px;">Account #</th> <th style="padding: 5px;">Amount</th> <th style="padding: 5px;">Project ID</th> <th style="padding: 5px;">Program</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Account #	Amount	Project ID	Program																																
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INDEPENDENT CONTRACTOR ISSUES

INTRODUCTION

Designation of independent contractor status is governed by the Internal Revenue Service (IRS) tax code and common law. Significant tax penalties exist for incorrect classification of an employee as an independent contractor. Contracting with an independent contractor may expose an institution to significant risk. Therefore, it is imperative that common standards are applied in classification and contracting and that each case is fully documented and auditable.

USE OF INDEPENDENT CONTRACTORS

Effective January 1, 2010 Nebraska Statute 48-2303 and the Personal Responsibility and Work Opportunity Reconciliation Act (PRWORA) of 1996, 42 U.S.C. 653A, requires all employers to report newly-hired, re-hired, re-called, temporary employees and independent contractors (sole proprietors) to the Nebraska State Directory of New Hires within 20 days of their hire date.

In accordance with Federal legislation, the State of Nebraska asks for the following information:

- Employer's Federal Employer Identification Number (FEIN)
- Employer's Name
- Employer's Address
- Employee's Name (First, Middle, Last)
- Employee's Address
- Employee's Social Security Number
- Employee's Date of Hire or Re-Hire

There are a variety of ways to report new hires, including:

- Online reporting
 - Employers may report their new hires online. Confirmations of reports received are provided each time an employer reports using this feature. (<https://newhire-reporting.com/NE-Newhire/Empreg.aspx>)
- Electronic Reporting
 - Employers can export their new hire information from their payroll software into a file that meets our layout specifications.
- Mail
 - Nebraska State Directory of New Hires
P.O. Box 144013
Austin, TX 78714-4013
- Fax
 - Toll-free: (866) 808-2007

CALENDAR YEAR END DOCUMENTATION

A Federal Form W-9 is required for all independent contractor arrangements during a calendar year, in order to properly issue Federal Form 1099 (Miscellaneous Income) by January 31st of the following year. Copies of the Form 1099 must be sent to the Internal Revenue Service to meet regulatory tax requirements. Copies only need to be sent to the State of Nebraska if state income tax is withheld.

Form 1099-MISC, Miscellaneous Income, must be issued to each person paid during the year in the course of a trade or business:

- At least \$600 in rents, services (including parts and materials), prizes and awards, other income payments, crop insurance proceeds, or generally, the cash paid from a notional principal contract to an individual, partnership, or estate;
- Medical and health care payments
- Fish purchases for cash
- Attorneys' fees
- Gross proceeds paid to an attorney
- Substitute payments in lieu of dividends or tax-exempt interest
- Payments by a federal executive agency for services (vendors)

A service provider currently or formally (within the calendar year) employed by an institution may not provide services to the institution as an independent contractor.

CONCLUSION

An Independent Contractor is an individual or organization that provides services that are generally technical, unique, and infrequent where no employer-employee relationship exists.

An Independent Contractor Relationship exists when your institution has the right to control only the result of the service provided and not the manner of performance of the service provided by the entity.

Questions regarding personnel transactions are to be directed to the Archdiocese of Omaha Finance Office.

**ARCHDIOCESE OF OMAHA
FINANCIAL ADMINISTRATION**

EMPLOYEE vs. INDEPENDENT CONTRACTOR CLASSIFICATION

Scope - This guideline addresses the general criteria used in determining appropriate employee or independent contractor classification and the tax implications involved.

General - An employee/employer relationship generally exists under the common law when the worker is subject to the right of control by the parish or other entity as to what work shall be done and how it shall be done. The IRS has identified three primary categories of evidence to assess in determining worker classification. These categories are behavioral control, financial control, and the relationship of the parties.

Behavioral Control

Behavioral control derives from facts that illustrate a right to direct or control how the worker performs his or her tasks. A worker who is required to comply with other persons' instructions about when, where, and how he or she is to work is ordinarily an employee. Training a worker by requiring an experienced employee to work with the worker, by corresponding with the worker, by requiring the worker to attend meetings, or by using other methods, indicates that the worker is an employee.

Financial Control

Financial control derives from facts that illustrate a right to direct or control how the business aspects of the workers' activities are conducted. A worker who can realize a profit or suffer a loss as a result of the worker's services (in addition to the profit or loss ordinarily realized by employees) is generally an independent contractor, but the worker who cannot is generally an employee. If the worker invests in facilities that are used by the worker in performing services and are not typically maintained by employees (such as the maintenance of an office rented at fair value from an unrelated party), that factor tends to indicate that the worker is an independent contractor. On the other hand, lack of investment in facilities indicates dependence on the person or persons for whom the services are performed for such facilities and, accordingly, the existence of an employer-employee relationship.

Relationship of the Parties

Facts that illustrate how the parties perceive their relationship with the other is important. A continuing relationship between the worker and the person or persons for whom the services are performed indicates that an employer-employee relationship exists. A continuing relationship may exist where work is performed at frequently recurring although irregular intervals. If a worker performs more than de minimis services for a multiple of unrelated persons or firms at the same time, that factor generally indicates that the worker is an independent contractor.

Examples:

In the parish or church setting, the following are examples of persons who are employees: priest; principal; teacher; substitute teacher; CCD teacher; development director; secretary; and maintenance worker.

Examples of persons who typically are considered independent contractors: lawn and snow removal contractors (if they use their own equipment and set their own hours); outside consultants; and musicians (if they use their own instruments and set their own schedule).

Requirements:

1. For an Employee, the Parish or employing entity should have an Employee complete a W-4, should deduct customary payroll taxes from Employee's wages, and issue a W-2 at the end of each year to the Employee for all compensation paid to the Employee.
2. For an Independent Contractor, the Parish or contracting entity should have the independent contractor complete a W-9, and shall issue a 1099 to each independent contractor who receives more than \$600.00 during the calendar year.

Any questions about worker classification should be addressed to the Finance Office of the Archdiocese of Omaha or Archdiocesan legal counsel.

AAF ASSESSMENT

Purpose

To establish an equitable system for the parish financial support of Archdiocesan administration and essential Archdiocesan services, as recommended and supported by the Priest Council and approved by the Archbishop. To insure fairness and the necessary financial resources, a continuing evaluation will take place.

Annual Assessment

Approximately March 1st of each year, each parish will receive an AAF assessment figure, as established by the Archbishop.

Each parish will be expected to forward to the Chancery in full, 1/12th of its annual assessment on the first of each calendar month, beginning July 1, for July. Each parish's allocation will be based on a six fiscal year rolling average of its parish's Sunday/holyday revenue as a percentage of a six fiscal year rolling average of the Sunday/holyday revenue for all parishes within the Archdiocese of Omaha.

Follow Up

The Archdiocesan Finance Office will immediately contact parishes about any unpaid monthly AAF assessment amounts.

Operating Reviews

Accurately recording of Sunday/holyday collections will remain part of the normal parish operating review process conducted by the Archdiocesan Finance Office.

AAF Assessment Payments

Assessment payments should be booked against expense account number 4064.

Conclusion

Pastors are expected to provide the Chancery Finance Office with monthly financial reports through the use of CITRIX and timely payments of the AAF amounts due.

SPECIAL COLLECTIONS

Purpose

To present United States Conference of Catholic Bishops (USCCB) guidelines for mandated national collections and Archdiocesan sponsored collections. These collection efforts allow Catholics to support the development of the Church where communities struggle financially or Catholic vocations and ministry require financial assistance.

National Collections

Collection

Description

Home & Foreign Missions (4 in 1) *

Latin America

For almost forty years the Church in the United States has been actively assisting the Church in Latin America. With the aid of the collection and in cooperation with the bishops of the U.S. and Latin America, grants are made to support the vast needs of the local churches in Latin America, especially in the areas of evangelization, pastoral programs and formation of laity, religious and seminarians.

Holy Land

Assists in the care and maintenance of Holy Sites.

Catholic University

Provides funding for academic scholarships at the Catholic University of America in Washington, D.C. Catholic University was founded in 1887 by American Bishops and is the only U.S. university with Pontifical faculties.

Home Missions

Approved by the U.S. bishops in 1997. Funds from the appeal will help extend and strengthen the presence of the Church in the United States and its dependencies through the support of basic pastoral services in areas that struggle to provide such necessities on their own. The Catholic Home Mission Appeal will allow Catholics to help support local communities where Catholics are few, the church is fragile, and pastors struggle to keep mission parishes afloat.

Black & Indian Missions *

Mandated by the III Plenary Council of Baltimore in 1884, the 114 year old National Collection for Black and Indian people continues as the embodiment of the Church's concern for the evangelizing the Black and Indian people of the United States. The funds are distributed as grants to dioceses throughout the United States, supporting and strengthening evangelization programs which otherwise would cease. The Collection was formerly known as the Black and Indian Home Missions Collection. The name has been changed to accommodate the new Catholic Home Mission Collection.

Collection	Description
American Bishops' Overseas Appeal (CRS)*	Provides funding for Catholic Relief Services, USCC Department of Social Development and World Peace, relief work of the Holy Father, and USCC's Migration and Refugee Services.
Catholic Communication	The essential mission of the CCC is to contribute to the process of Campaign* evangelization by fostering activities in television, radio, and other media, and throughout special projects of the Catholic press. An annual collection is taken up in the dioceses, which remit 50% of the funds collected to the National Office. Grants are made following recommendations by the USCC Communication Committee, the remaining portion of the collection is retained by the diocese for use in local communication projects.
Peter's Pence	*Assists the Holy Father in his service to the whole church.
World Mission Sunday *	The first worldwide Mission Sunday collection took place October 1927. The annual collection is always on the last Sunday during the month of October. The day is celebrated in all the local Churches, so Christians the world over will recognize their common responsibility with regard to the evangelization of the world.
Catholic Campaign for Human Development	The Catholic Campaign for Human Development was mandated by Development (CCHD)* the U.S. bishops to "address the root causes of poverty in America through promotion and support of community-controlled, self-help organizations and transformative education."
Retirement Fund for Religious	The Retirement Fund for Religious (RFR) provides restricted grants to any religious institute in the U.S. It distributes both basic, supplemental and special assistance retirement grants from the fund to religious institutes based on a formula and criteria approved by the conferences of major superiors and bishops. Annual appeal begun in 1988 is approved through 2007.

*Information based on the USCCB National and other collections schedule.

Archdiocesan Special Collections

In accordance with Canon 1266, the Archbishop may from time to time request a special Archdiocesan collection for specific parochial, diocesan, national or universal projects.

Seminary	Provides a substantial percentage of the cost of educating seminarians, which include tuition, room, board, books, travel costs and health insurance.
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Conclusion

Collections are to be submitted to the Archdiocesan Finance Office (World Mission Sunday Collection submitted to the Chancery) NO LATER THAN SIX WEEKS following the collection. Any unremitted collections will be followed up. Monies are forwarded to the National Office approximately eight weeks after the collection date. An annual collection overview is published in The Catholic Voice. Questions on the above information should be directed to the Archdiocesan Finance Office.

REVIEW AND ACCEPTANCE OF DONATIONS FOR PARISHES

Purpose

To provide guidelines for the proper review, acceptance and reporting of parish contributions in accordance with Canon law, civil law and federal regulations. All gifts received by a parish will be valued on the date the donor relinquished control of the assets in favor of the parish. The amounts reported for receipt purposes, will be determined using the following criteria.

General Policies Regarding Gifts

Donors may direct their contributions, outright or deferred, toward any purpose approved by the parish.

Donors should always consult their own tax advisors concerning the specific steps to be taken to obtain maximum tax savings when making donations.

In so far as possible, the designated purposes for gifts should be described in as broad and flexible terms as possible. Very narrow restrictions should be avoided.

The language used in creating such a restricted gift or fund should contain provisions which would allow for the parish to apply the gift to some other related purpose, if and when the designated purpose is no longer feasible, practical, necessary, or possible of performance. This should be discussed with and agreed to by the donor. The following standard language may be used to provide this latitude:

“In the event the parish, in its sole discretion, determines that the use of this fund for the above stated purposes is no longer appropriate, necessary, practical, or possible of performance, or for other good and lawful reason, said purpose should be changed, the parish may use this fund for such other closely related purposes as the parish, in its sole discretion, determines will best promote and support the mission of the parish.”

Gifts will be acknowledged promptly and in accordance with the current gift acknowledgement policies and procedures.

Gift Restriction

The parish must adhere to stipulations placed by the donor that limit the use of donated assets. Careful consideration should be given by the parish on the practicality and cost to the parish in complying with them prior to the formal acceptance of the contribution. A parish should not accept a donated asset if it will be unable to use the asset in furtherance of the parish's ministries and purposes.

Pledges

Pledges are only promises or intentions to make contributions to an organization at a future date and are not to be recorded as gift income or included in the donor's gift total until received.

Pledges to a Campaign

Pledges shall be counted toward a specific fund or purpose at the full-face value of the pledge.

All pledges must be documented in writing by the donor or donors either in the form of a pledge card or formal written correspondence from the donor. An email or other electronic communication from the donor is considered written documentation. **No verbal pledges will be entered into the database.**

Pledges from individuals who qualify for matching gifts should be counted in the amount the individual plans to contribute, not including the anticipated matching amount. The matching amount will be credited toward the gift record of the matching gift company and may not be entered as a pledge until the company has notified the parish that a matching gift will be forthcoming.

Type of Donation

Cash/Cash Equivalents:

All cash or cash-like gifts should be deposited as quickly as possible. For IRS purposes, the amount and date in which the gift was made in cash should be acknowledged in writing. Acknowledgements should be made in writing for all gifts (i.e., cash, check, money order, etc.) of \$250.00 or more. For more detailed information, please refer to "Tax Substantiation Requirements" policy—Addendum One.

Securities:

A parish should only accept securities (publicly traded or private) which are marketable. If there is a question as to whether a security is marketable, the Chief Financial Officer (CFO) of the Archdiocese should be consulted. In its acknowledgment to the donor, the parish should acknowledge the gift of securities, the name of the securities, the number of shares, and the date of the donation. For more detailed information, please refer to "Stock Gifts" Policy—Addendum Two.

Real and Personal Property:

Major gifts of real and personal property, such as land, houses and art will be reported at the fair market value placed on them by an independent, expert appraiser at the donor's expense. Gifts with an apparent worth of less than \$5,000 may be valued based upon the donor estimated value and internal estimates. In its acknowledgment to the donor, the parish should acknowledge the gift, describe the asset donated, and the date of the donation. For more detailed information, please refer to "Acceptance/Sale of Gifts of Real Estate" Policy—Addendum Three.

Motor Vehicles:

A parish should be reluctant to accept a gift of a motor vehicle unless as an auction item for a fundraiser. A parish should consult with the CFO of the Archdiocese before accepting any motor vehicle.

A contribution of a motor vehicle, which the donor claims has a value exceeding \$500, requires the parish to provide a written acknowledgment to the donor of what it did or intends to do with the vehicle. The parish must file copy "A" of IRS Form 1098-C with the IRS and copies "B" and "C" provided to the donor. If the donor claims the vehicle to be worth less than \$500, the parish may use copies "B" and "C" of form 1098-C for acknowledgment to the donor (do not file copy "A" with the IRS) or use its own statement which provides the same information. The written acknowledgment must be provided to the donor within 30 days from the date of the vehicle's sale. If the parish intends to use the vehicle, materially improve it, or sell or give it to a needy individual for a price under its fair market value, the statement must be provided to the donor within 30 days of the contribution.

Bequests and Estates:

Bequest intentions will not be recorded as a gift. Only when the funds are irrevocably committed to the parish or when funds are actually received, will the gift be recorded.

Insurance:

The parish must be named both beneficiary and irrevocable owner of an insurance policy before a policy can be recorded as a gift. The cash surrender value of the policy shall be reported as a gift when the policy is given, rather than at its face value.

If the donor pays further premiums on the policy, the parish will include the entire amount of the premium payment in gift totals. If the parish elects to pay the premiums, those payments will be considered as operating expenses and not reported as increases in the cash surrender value as gifts.

Regardless of whether the donor or parish pays the premiums on a policy the parish owns, the difference between the cash value and the insurance company's settlement at the death of the donor should not be reported as a gift but rather as disposition of assets. In those cases where the parish receives the proceeds of an insurance policy in which it was named beneficiary but not owner, the full amount received will be reported as a gift on the date delivered.

For donor recognition purposes, the donation will be recognized for the cash surrender value of the life insurance policy at the time the policy is given to the parish, when the parish is owner and beneficiary. Any future contributions toward the premium will be recognized as regular gifts, at the point that a policy is paid up in full, the face value of the policy will then be used for donor recognition purposes.

Donated Materials and Facilities:

All donated materials and facilities will be recorded at fair market value when received. Such value will be determined by an appraisal at the donor's expense if the value is in excess of \$5,000 or by the donor's written estimate of the value if the value is less than \$5,000. If the nature of the materials is such that valuations cannot be substantiated, the gift should not be recorded with any value; however, a receipt describing the donated materials will be provided.

The receipt value for IRS purposes will be zero (\$0.00) unless an appraisal is obtained. The receipt to the donor will contain a detailed description of the donated materials or facilities.

Fundraising Events:

When something of tangible value is provided to donor participants at a fundraising event, like a meal, the donor's cost of the ticket to attend the event is only a charitable deduction to the extent the cost of the ticket exceeds the value of the meal. Donors should be informed of the value of the benefit received per ticket.

Corporate Matching Gifts:

Matching gifts received from corporations, businesses or other organizations of cash or securities will be credited as a gift from the entity from which the gift was given.

Matching gifts will follow the designation of the gift of the individual for whom the gift is being matched unless directed otherwise by the matching gift organization.

Pledges made by individuals are considered a personal obligation and should not include the anticipated matching gift amount.

Should the parish wish to credit matching gifts to the individual for the purpose of donor recognition, it may do so as long as gifts are not counted twice for the purpose of actual gifts raised during any given campaign.

Trusts

Requests by perspective donors to established trusts for the benefit of the parish should be discussed with the CFO of the Archdiocese, before any establishing documents are signed.

Crops

There are specific procedures and guidelines for donation of crops which must be followed. A parish should contact the CFO of the Archdiocese to discuss the specifics before accepting any such donations.

Livestock

There are specific procedures and guidelines for donation of livestock which must be followed. A parish should contact the CFO of the Archdiocese to discuss the specifics before accepting any such donation.

Foreign Currency

Any gift received in a currency other than U.S. Dollar (including Cryptocurrency) shall be converted by the Archdiocese through a master brokerage account into U.S. dollars.

Endowments / Foundations

All donations restricted to an endowment or foundation must comply with the legally defined restrictions as provided for by Archdiocesan approved documents. Normally it is the responsibility of the endowment or foundation board to ensure this compliance.

Internal Revenue Service Reporting:

Form 8283:

In most circumstances, the Internal Revenue Service requires that a Form 8283 – “Noncash Charitable Contribution” be filed with the donor’s tax return. Upon acceptance of a gift over \$5,000, the Pastor or duly authorized corporate delegate will complete the appropriate portion of the “Donee Acknowledgment Section” (Section “B”) of Form 8283, returning the original form to the donor and retaining a copy of Section “B”.

Form 8282:

The Internal Revenue Service requires that Form 8282 – “Donee Information Return” be completed and filed (with respect to any donation for which a Form 8283 has been filed) when that donation is sold or disposed of by the parish within three years of the date of gift receipt. Upon disposition, the Pastor or his agent will be responsible for filing Form 8282 in a timely manner to the IRS and providing a copy to the donor.

Conclusion

The information provided above, when followed, will permit a parish to accept and acknowledge donations which will further its mission and ministries and that of the Archdiocese of Omaha. Any questions about this policy should be directed to the CFO of the Archdiocese.

ADDENDUM ONE—TAX SUBSTANTIATION REQUIREMENTS

Purpose

To provide an outline of tax substantiation requirements governing charitable organizations: Disclosure and Substantiation Requirements of Charitable Contributions in Excess of \$250 and Quid Pro Quo Contributions in Excess of \$75.00. These new requirements mandate that you provide written acknowledgments for certain charitable contributions.

Gifts of \$250.00 or More

All Archdiocesan parishes, agencies and organizations must institute a system to provide donors a separate written acknowledgment of all contributions of \$250.00 or more. The taxpayer's cancelled check does **NOT** satisfy this requirement for I.R.S. purposes.

This acknowledgment must include the following information:

- A. The amount of cash contributed or a description of contributed property;
- B. Whether the parish or organization paid for or provided any goods or services in whole or part for the donation;
- C. A description and good faith estimate of the value of any goods or services provided by the parish or organization in consideration of the payment; or
- D. If the consideration is solely intangible religious benefits, a statement to that effect.

This acknowledgment must be given to the taxpayer on or before the date the donor files the tax return for the year in which the deduction is claimed. The best practice is to give written acknowledgments of gifts of cash or property in excess of \$250.00 at the time the contribution is made or by an annual giving acknowledgment before January 31st of the following year. The annual giving acknowledgment is probably best given to regular parishioners or individuals who make donations on multiple occasions throughout a year. A single gift acknowledgment should be given at the time a gift is made to donors who make single or irregular contributions of \$250.00 or more.

Weekly contributions of under \$250.00 which total more than \$250.00 annually do not require acknowledgment, but parishes should institute the annual aggregate acknowledgment procedure for all members or regular contributors.

Quid Pro Quo Contributions

A “quid pro quo” contribution is when a payment is made partly as a contribution and partly in consideration for goods or services furnished to the donor. Typically, these contributions are made in connection with fund-raising events, such as dinners, auctions and similar events, where part of the payment constitutes a contribution. Parishes and Archdiocesan organizations must provide the following information in connection with the solicitation or receipt of a quid pro quo contribution:

- A. A statement that the amount deductible for federal income tax purposes is limited to the excess of the amount of money or property contributed over the value of the goods or services provided by the parish or organization; and
- B. A statement of the estimated value of the goods or services provided to the donor.

Penalties

The taxpayer donor bears the burden of requesting the acknowledgment of contributions in excess of \$250.00 or more. Charities which provide false substantiation may be subject to penalties for aiding and abetting an understatement of tax liability.

Failure to provide written disclosure of quid pro quo contributions may result in a \$10.00 per contribution penalty, capped at \$5,000 per fund-raising event or mailing.

Conclusion

Any questions about these requirements should be directed to the Archdiocese Finance Office, your accountant, or legal counsel.

ADDENDUM TWO--STOCK GIFTS

Purpose

The purpose of the following policy is to provide guidance in the receipt and liquidation or retention of stock gifts by a parish or school and to insure that donor intent as to their use, is adhered to in all instances.

Marketability

A parish should only accept stock (publicly traded or private) which is marketable. If there is any question as to whether a stock is marketable, the Chief Financial Officer of the Archdiocese should be consulted.

Donor Intention - Gift Restriction

Generally, it will be the position of most institutions to liquidate a stock gift as soon as possible, unless the stock fits the specific investment strategy of the parish or school or the donor restricts its sale.

Careful consideration should be given to receipt of a stock gift upon which the donor sets conditions as to when it may be sold or who will invest the stock proceeds. This may impact the subsequent net value of the gift realized by the parish or school. The resulting gift must be utilized for the purpose designated by the donor, including any restriction not to invade its principal.

Gift Liquidation/Retention

The status of the stock gift will determine how it is processed at the time of its physical receipt or electronic credit transfer into a brokerage account:

Brokerage accounts - a donor may directly transfer shares of stock to a liquidation account maintained by the parish or school. Corporate resolutions to open new brokerage accounts must be signed by the Archbishop as president and the pastor or authorized school administrator as secretary of the parish or school corporation. The donor's wishes will normally be expressed in an accompanying letter. Control of the gift will pass to the parish or school on the date its own account is credited by the brokerage firm.

Certificates - stock certificates may be sent to the institution by the donor. Normally, they will be accompanied by a "stock power" form, which will allow for transfer and sale of the stock, as well as instructions describing the donor's intent. In the absence of a stock power or endorsement of the certificates, the donor will need to be contacted in order to effect transfer of ownership. (Caution must be exercised when stock certificates have been endorsed by the donor, as they convert to the status of negotiable instruments, which may be sold by anyone having them in their possession). It will take several weeks to have new certificates issued to the parish or school, in the rare instance in which they are retained by the parish or school. These certificates must be secured, preferably in a bank safe deposit box.

Merrill Lynch, or other sponsors of the Archdiocesan investment and 403(b) programs, may be contacted by the institutions of the Archdiocese which require assistance processing stock gifts or who wish to begin a stock donation campaign.

Gift Acknowledgment

A "thank you" letter to a donor gifting stock, should include the name of the stock, number of shares, and the date the donor relinquished control of the stock in favor of the parish. The letter, in accordance with Internal Revenue Code subsection 170 (f)(8), should state that "no goods or services were provided as a result of the contribution."

Conclusion

Questions regarding stock gifts should be directed to the Chief Financial Officer of the Archdiocese.

ADDENDUM THREE—ACCEPTANCE AND SALE OF GIFTS OF REAL ESTATE

Purpose

To identify the process by which gifts of real estate, including all forms of interests in real property, may be accepted by parishes.

Acceptance of Real Estate Gift

1. A parish should first contact the Chief Financial Officer (“CFO”) of the Archdiocese to discuss the proposed gift of any real estate.
2. **Authority for Acceptance:** The following officers are authorized to accept gifts of real estate on behalf of a parish: The Archbishop, or Pastor, after consultation with the CFO of the Archdiocese. Acceptance should be in the form of a formal letter.
3. **Conditions for Acceptance:** If the property is to be used by the parish, it shall be in good physical condition and not present any serious environmental hazards. If it is not in compliance with applicable building, health and safety codes, or requires repairs or improvements, a source of funds for the costs of bringing the property into compliance must be identified prior to acceptance.

A Phase One Environmental Assessment should be made by an individual or firm competent to advise the parish whether further investigation is needed, prior to acceptance.

Funds to cover costs such as appraisals, phase one environmental assessments, taxes, insurance, maintenance, legal expenses, and unanticipated expenses may be advanced, at the Pastor’s discretion, from other funds of the parish and recovered at the time disposition of the property is made. Donors shall be advised of this decision.

4. **Use of Gift/Gift Procedures:** A gift of real estate shall be:
 - a. used by the parish in connection with established or specifically approved programs or ministries; or
 - b. held for the production of income; or
 - c. sold with the proceeds used for the general purposes of the parish, or for the program or ministry directed by the donor.

A parish may not accept real estate that jeopardizes its tax-exempt status. Any real estate which will be debt-encumbered after the gift is made may lead to unrelated business income for the parish and affect the parish’s tax-exempt status.

Church property not used for tax-exempt purposes is subject to taxes in the county in which it is located.

5. **Procedure:** Prior to formal acceptance, the following shall be presented to the parish:
 - a. A preliminary title report for the subject property (shall reflect that title is properly vested in the donor's name, and is subject to no claims, liabilities, or major defects of title);
 - b. A suitable appraisal. The donor may be asked to pay the costs associated with any appraisal;
 - c. A list of improvements to the property;
 - d. A current list of leases, if any;
 - e. A list of encumbrances, liens, taxes and current expenses, if any;
 - f. Copies of surveys pertaining to the property; and
 - g. A physical inspection of the property shall be conducted by an employee, agent of, or consultant to the parish and discussed with the Pastor.
6. **Deed:** Prior to acceptance of a gift of real estate, it is the responsibility of the Pastor, in consultation with legal counsel, to insure that the deed is properly conveyed to the parish. This includes having the donor sign the deed and recording it with the appropriate county Register of Deeds. The Pastor has responsibility for the proper safeguarding of all deeds. (Canon 1284.2.9)

When possible, a Warranty Deed, rather than a Quit-claim Deed or other forms of deeds, should be obtained from the donor.
7. **Maintenance, Upkeep, Insurance, etc.:** Prior to acceptance of any gift of real estate, a source of funds must be identified for maintenance, insurance, etc., of the donated property.
8. **Life Estates:**
 - a. **Simple Life Estate Agreements:** In the case of property donated to the parish subject to a life estate the life tenant shall enter into an agreement in writing that the life tenant shall pay all the costs of maintenance of the property including, but not limited to, repairs, improvements, taxes, insurance, etc.
 - b. **Life Estate with Lump Sum or Series of Payments:** If the life tenant is to receive a lump sum payment or a series of payments, a financial analysis will determine the return on investment to the parish. The analysis will include the life tenant's life expectancy, projected appreciation rate of the property, and estimates of future interest rates. Donor-authorized impounds

from the lump sum will be necessary to cover maintenance, upkeep, insurance, property taxes, etc.

9. **Form 8283:** In most circumstances, the Internal Revenue Service requires that a Form 8283 – “Noncash Charitable Contribution” – be filed with the donor’s tax return. Upon acceptance of a gift over \$5,000, the Pastor or duly authorized corporate delegate will complete the appropriate portion of the “Donee Acknowledgment Section” (section “B”) of IRS Form 8283 and return the original form to the donor, retaining a copy of section “B”.

Sale of Gifted Real Estate

1. **Acceptance of Offers:** If the property is to be sold, it should be made marketable within a reasonably short period of time. Acceptance of offers to purchase property (\$30,000 and over) from a parish requires the signature of the Archbishop, after consultation with the Archdiocesan Finance Director.
2. **Financing the Sale:** With the permission of the Archbishop, the parish may consider financing the sale or carrying-back a portion of the purchase price for a credit-worthy purchaser at an interest rate that is comparable with other parish investments and is subject to other appropriate terms and conditions. The terms shall be approved in writing and approved in advance by the Archbishop.
3. **Internal Revenue Service Form 8282:** The Internal Revenue Service requires that Form 8282 – “Donee Information Return” (see “Review and Acceptance of Donations”) be completed and filed (with respect to any donation for which a Form 8283 has been filed) when that donation is sold or disposed of by the parish within three years of the date of gift receipt. Upon disposition, the Pastor or his agent will be responsible for filing Form 8282 in a timely manner to the IRS and providing a copy to the donor.

Conclusion

In order to minimize potential liability situations, the parish should direct questions regarding the acceptance and/or sale of gifted real estate should be directed to the CFO of the Archdiocese and the attorney representing the parish, as opposed to the donor’s or buyer’s attorney or real estate agent, in order to minimize potential liability situations.

DUE DILIGENCE IN FINANCIAL MATTERS

Purpose

This policy is to be reviewed and followed by each parish of the Archdiocese when considering proper internal controls, relationships that may influence parish finance councils and procedures for reporting parish finances to the parish community.

As stewards of church resources, we are responsible for maintaining the highest standards in our management procedures and vigilance (canons 1282 and 1283.1). Both the appearance and substance of parish operations must be above question. Each pastor is to insure the following minimum standards are in place when conducting parish or mission business:

Operating Funds

Access to parish operating monies must be properly controlled (canon 1284.2.1). The pastor must be a signatory on all parish operating accounts. He is the ordinary signatory for checks issued on parish accounts.

The parish bookkeeper or business manager who prepares the checks must NOT have signature authorization on these accounts. Under NO circumstances may signature stamps be utilized. (Electronic facsimiles of the pastor's signature may be used for limited non-financial purposes, but only at the direct permission of the pastor).

In the event that a pastor or parish administrator will be away from the parish for an extended period, he may at his discretion, authorize an assistant/associate pastor to sign parish operating checks. In the absence of these positions, a "dual" signature arrangement may be established with the two parish trustees or the chairs of the parish finance and pastoral councils. Any such arrangement should be communicated to the parish bookkeeper or business manager. Signature cards and corporate resolutions will have to be completed to the satisfaction of the banks that hold parish accounts.

Petty cash funds (when needed) must be regularly reconciled, replenished and secured at all times. The monthly reconciliation and documentation of these funds must be reviewed by the pastor.

The pastor must ensure that all personnel, payroll, accounts payable, blank check forms and supporting information is secured under lock and key, separate from general access to parish offices and only available to authorized parish staff.

No parish/school funds may be loaned to non-Archdiocesan entities, (separate corporate identification number and tax status) without the written permission of the Archbishop of Omaha.

No church financial resources are to be maintained in bank accounts or safe deposit boxes which are not recorded under the proper parish/school name and corporate identification number.

Investments/Endowment Funds

When any account maintained with a bank trust department or brokerage firm for the handling of parish investment vehicles, such as stocks and bonds, requires the completion of a corporate resolution, naming those individuals who can who are authorized to place “purchase” and “sell” orders and direct disbursements, these individuals are to be specifically named on the resolution. To insure proper internal control, only the pastor as Secretary/Treasurer of the parish corporation should be so listed on the corporate resolutions forwarded to the Archbishop as President of the parish corporation for approval. Sale transactions over \$30,000 must be personally approved by the Archbishop (see "Requests to Approve Financial Transactions" policy). Sales of parish securities under \$30,000 may be authorized at a pastor's discretion.

No loans or transfers of endowment principal funds, or expenditures of investment income are to be made for purposes outside the scope and limitations set forth in the establishing document.

Arms Length Relationships - Parish Finance Council

Each pastor should carefully review the membership of the parish finance committee to insure that inappropriate "special interest" or "conflict of interest" situations not occur. For example, the parish bookkeeper or business manager should not be placed in a position to approve his or her own work as a voting member of a parish council. Local bankers, brokers or consultants with whom the parish conducts business should not vote on parish issues which financially benefit them or institutions with which they are affiliated. Parish finance councils are to reflect the broad-based ideas and interests of the parish community when acting as a consultative resource for the pastor.

Financial Disclosure

Parishioners are to be informed regularly, and in an accurate manner, about the state of parish's finances.

When the pastor is performing bookkeeping duties, it is particularly important that a finance report be provided to the parish finance chairman and parish finance committee explaining the nature of parish revenues, expenditures and financial obligations. This ensures protection for the pastor and collaboration for the good of the parish.

Conclusion

Questions concerning this policy may be directed to the Archdiocesan Finance Director.

CREDIT TRANSACTIONS

Purpose

To establish and oversee the use of corporate credit cards, store credit accounts and other credit transactions for business purposes.

Credit Alternatives

Corporate credit cards - issued in name of the archdiocesan institution and the individual authorized employees.

Store accounts - established in name of the archdiocesan institution, with a list of authorized employees provided to the credit providers.

Other credit transactions- actual cards may or may not be issued by a credit provider. Identification of phone use by employee, may or may not be available by individual passwords and pin numbers, depending upon the credit provider.

Application

Once the need for credit has been identified, a credit application form should be requested from the desired company, which will at a minimum, ask for the following information:

- Name, address and legal status of corporation
- Corporate officer names
- Individuals authorized to charge account
- State of Nebraska sales tax exemption certificate
- Credit limit request (daily, monthly, purchase)
- Trade (business) references
- Banking references

The following information will NOT be provided to a credit vendor:

- Bank or broker account numbers
- Financial statements
- Personal or financial information about corporate officers

Normally a "corporate resolution" form will be requested by the credit provider, which will require the signatures of the corporate officers to open the account. The completed application must be signed by the pastor, responsible administrator or corporate officer.

A denial of credit will be followed up with a detailed explanation by the refusing credit provider.

Cardholder Responsibility

To limit the potential for liability, the credit provider must be contacted immediately, when a card is lost or there is evidence of improper charging against cards or store accounts by unauthorized parties.

Internal Control

The vendor statement will be reconciled to the credit receipts immediately upon its arrival. Receipts may include invoices, cash register tapes, manual sales slips or verified packing slips. In all cases, the information provided must be itemized, with dollar amounts specified. No cash back from refunds or exchanges should be allowed through a store account. If a receipt is missing, the accountable employee must complete a business expense reimbursement form, detailing the nature of the charge and sign the form. Questionable charges must be brought to the attention of the pastor or responsible administrator.

Receipts should be attached to the statement, which is signed and dated by the accountable employee. It must then be forwarded to the pastor for final approval.

All receipts and statements supporting credit purchasing transactions will be maintain for an appropriate period of time, in a secure manner.

Conclusion

All appropriate checks and balances must be maintained over credit transactions, to prevent the loss of property or a negative impact on the credit standing of the archdiocesan corporation.

INSURANCE COVERAGE PROGRAM

Purpose

Insurance for the structures and contents of parish buildings, as well as for a variety of potential liability areas, is provided EXCLUSIVELY by Catholic Mutual Group through an overall package program (see exhibit 1 for available coverages). The following policy is to be used when making a decision concerning necessary property and/or liability protection:

Replacement Cost Basis

A building must be insured on a replacement cost basis, if it is expected to be rebuilt should a total loss situation occur. This level of coverage will also assure complete payment for any partial loss, reduced only by the applicable deductible.

Primary buildings such as churches and ACTIVELY used schools, parish halls and rectories would normally fall into this category. The Archbishop asks that any pastor who wishes to have less than replacement coverage for a primary building, contact him in writing, at the Chancery for approval. Any time a parish structure is insured for less than replacement, the Chancery will be notified by Catholic Mutual, as part of the contract package.

Unused Buildings

Any closed parish building that is not likely to be used for the long term, should be brought to the attention of Catholic Mutual to discuss the appropriate degree of insurance protection.

Sale of Parish Buildings

Once approval (signed proxy) is obtained from the Archbishop to sell a parish structure, Catholic Mutual should be contacted to have it removed from the parish ledger page. This property should be removed from the parish's balance sheet, as reported to the Chancery each month.

New Construction

Upon approval (signed proxy) of new construction or major renovation by the Archbishop, a parish should contact Catholic Mutual prior to breaking ground to insure that all appropriate property and liability coverage is in place as necessary, during/following the project. The Archdiocese of Omaha and your parish must be named on all certificates of insurance provided by contractors as an "additional insured".

Safety Inspections

As part of our contract with Catholic Mutual, in an attempt to reduce liability claims, each parish is expected to make a reasonable effort to comply with the recommendations provided from the annual safety inspection of its buildings, conducted by the staff of Catholic Mutual. A copy of each inspection is provided to the Chancery. This report should be reviewed by the parish safety committee as part of its regular agenda. Minutes of the safety committee meetings may be requested by Catholic Mutual, as part of its inspection process.

Other Coverage

The Catholic Mutual Group also provides for potential losses in the general areas of worker's compensation (see "Workers Compensation Claims/Benefits" policy), crime, boiler and machinery and public liability.

Facility Use

When archdiocesan parish/school facilities are used for activities that are not sponsored by the school or parish, there are special risk management and insurance issues that should be addressed for these events.

The property and casualty coverage provided by Catholic Mutual includes coverage for archdiocesan entities for property damage or injuries caused by individuals or parties using their facilities. However, the sponsor of the event is **NOT** covered by Catholic Mutual. If the sponsor of the event has no personal coverage or inadequate coverage (i.e. homeowners insurance), Catholic Mutual may be obliged to pay for losses not caused by the parish or school and the individual causing the loss has no coverage. This situation may be addressed in two ways (see "Facility Usage Guidelines" available from Catholic Mutual):

OPTION 1 (Both Steps Required)

STEP 1 - Obtain a certificate of insurance from the individual or organization, which provides \$1,000,000 in liability coverage. This certificate needs to name both the parish/school/location and the Archdiocese of Omaha as "Additional Insureds" for the event.

STEP 2 - Also, obtain a completed and signed Facility Usage Indemnity Agreement and Unaffiliated Organization Agreement.

OPTION 11 (Both Steps Required)

STEP 1 - "Special Events" coverage may be purchased from Great American Assurance Company through Catholic Mutual. The application form (**see "Third Party Special Events" within exhibit 1**) must be submitted to Catholic Mutual at least 15 days prior to the event.

STEP 2 - Also, obtain a completed and signed Facility Usage Indemnity Agreement and Unaffiliated Organization Agreement.

It should be noted that use of your facility by a business requires that business to provide proof of insurance to the parish or school prior to the event.

Conclusion

Questions concerning general parish insurance issues should be directed to the Member Services Representative or claims or safety concerns to the Claims/Risk Manager, both at Catholic Mutual. All other questions may be brought to the attention of the Archdiocesan Finance Director.

ARCHDIOCESE OF OMAHA SUMMARY OF COVERAGE

This summary has been prepared to give each pastor, pastoral administrator, principal, institutional director, or administrator in the Archdiocese of Omaha a guide to the coverage which protects the property under the control of the Archbishop. As used in this summary, references to the term “parish” are applicable to any parish, school, or other entity of the Archdiocese of Omaha which is covered under this program. The following information is presented to furnish you with a quick reference to answer basic questions about what is covered and who to contact in case of a loss. We have tried to mention as many of the important provisions which relate to losses that are covered and those which are excluded or not covered as is possible within the confines of a brief guide.

This information is a summary of the coverages and limitations intended only to highlight and is not intended to detail all the provisions contained therein. Specific extensions, conditions, and limitations are shown on the Certificate on file at the Chancery Office. If there is a conflict between a statement in this Summary and the actual Certificate, the terms of the Certificate control.

PROPERTY COVERAGE

Covers property of every kind and description (meaning all Real and Personal Property, your interest in improvements and betterments to buildings you do not own, and property you agree to protect by written contract, subject to certificate limitations.)

PERILS

Covers direct physical loss to property on an all risk basis. Some of the common causes of loss included are:

- fire
- lightning
- wind
- hail
- explosion, other than steam boiler explosion
- riot
- civil commotion – unlawful uprising of three or more people
- aircraft and vehicle damage
- smoke – must be sudden and accidental
- vandalism
- theft of property
- sewer backup

(NO COINSURANCE REQUIRED FOR REPLACEMENT COST BASIS OR ACTUAL CASH VALUE BASIS.)

DEDUCTIBLE

A deductible of \$500 applies to each location and will be incurred by the parish. Exception: A \$2,500 deductible per location or parish applies to all losses related to “Wind and Hail” damage.

BUILDER’S RISK

Automatically covers up to \$10,000,000 for new construction. The earthquake peril under builders risk has a \$1,000,000 limit subject to a \$50,000 deductible.

FLOOD

Covers property damage by flood, as specifically defined in the Certificate. A limit of \$10,000,000 per occurrence/annual aggregate applies. However, a \$2,500,000 per occurrence/annual aggregate sub-limit applies for those locations which have been identified in Flood Zones A, V, or are Undetermined.

EARTHQUAKE

Covers losses resulting from earthquake or volcanic eruption, explosion or effusion up to a limit of \$5,000,000 per parish or location with a \$25,000,000 per occurrence/annual aggregate limit (certificate level). A 5% deductible applies “per building”.

AUTOMATIC COVERAGE

Covers newly acquired real property and the contents of the newly acquired real property up to \$10,000,000 used solely for church-related activities. However, Catholic Mutual should be notified immediately upon acquisition.

PERSONAL PROPERTY OF OTHERS

Coverage up to \$50,000 for property of others used for your specific benefit and for the personal property of your employees damaged. Coverage is excess to other valid and collectible insurance.

PROPERTY IN THE OPEN

Covers up to \$100,000 for property in the open such as shrines, playground equipment, flagpoles, fences, bleachers, statues, signs and light poles.

TREES, SHRUBS, PLANTS

\$50,000 per occurrence, limited to losses caused by fire, lightning, explosion, riot, civil commotion, or aircraft. This coverage also includes debris removal.

RELIGIOUS ADDITIONAL EXPENSES

We will pay up to \$25,000 per occurrence for additional living expenses of each Religious, if such loss is the result of a covered peril.

PRESERVATION OF PROPERTY

We will pay for direct physical loss or damage to covered property while it is being moved from a **covered location** or stored at another location due to the need to preserve said property.

DEBRIS REMOVAL

Covers up to \$50,000 in additional coverage expenses (above the Limit of Coverage provided for covered property) incurred in the removal of debris of the property covered which may be occasioned by loss of a covered peril, not exceeding the limit shown in the Supplementary Declarations.

FIRE DEPARTMENT SERVICE CHARGE

We will pay up to \$10,000 for fire department service charges when the fire department is called to save or protect a **Covered Location** from a covered peril;

- a) Assumed by contract or written agreement prior to loss; or
- b) Required by local ordinance or law.

FIRE EQUIPMENT RECHARGE

We will pay the cost, up to \$10,000, to refill your fire protection equipment if they accidentally discharge or discharge as intended to control a covered loss.

APPRAISAL OR INVENTORY

We will pay for reasonable expenses, up to \$10,000, for the taking of inventory and appraisals incurred by you at our request to assist in determination of loss amount.

LOCK & KEY REPLACEMENT

We will pay up to \$5,000 for necessary replacement of locks and keys following burglary, robbery or mysterious disappearance of keys.

POLLUTANT CLEAN-UP

We will pay your expenses, up to \$25,000 to extract *pollutants* from land or water at a *Covered Location* if the release, discharge or dispersal of the *pollutants* is caused or results from a Covered Peril that occurs during the Certificate Period. The expenses will be paid only if they are reported to us in writing within 180 days or the earlier of:

- 1) The date of direct physical loss or damage; or
- 2) The end of the Certificate Period.

COMBINED ADDITIONAL PROTECTION

Coverage included in the Combined Additional Protection blanket limit of \$5,000,000 per occurrence/annual aggregate is as follows. The deductible for all coverages listed below is \$500, with the exception of Ordinance or Law and Loss of Income, for which there is no deductible:

ORDINANCE OR LAW

Coverage for the demolition of the undamaged and damaged portions and the increased cost of reconstructing in conformity with requirements of building laws following a loss of by a covered peril.

LOSS OF INCOME

Covers your actual business loss and necessary expenses incurred to resume normal business operations following a loss from a covered peril up to 12 consecutive months.

ELECTRONIC DATA PROCESSING EQUIPMENT

Coverage for direct physical loss or damage as a result of a covered peril to computer hardware, media, software and data.

MOBILE EQUIPMENT

Coverage for physical loss or damage to mobile equipment as a result of a covered peril. These items are covered on an actual cash value basis.

VALUABLE PAPER AND RECORDS

Coverage for the reasonable cost and expense necessary to restore or replace books of account and other valuable records damaged as a result of a covered peril. It is recommended that such books of account be kept in fireproof storage, and copies of computer backup are store off-site.

ACCOUNTS RECEIVABLE

Coverage for costs you incur as a result of a direct physical loss or damage of your records of accounts receivable damaged as a result of a covered peril.

FINE ARTS

Fine arts are covered on a replacement cost basis up to the first \$100,000.

EQUIPMENT BREAKDOWN

Archdiocesan comprehensive coverage applying to loss arising out of any sudden and accidental breakdown of any boiler, fired or unfired vessel, refrigeration system, piping and accessory equipment, mechanical or electrical machine or apparatus which generates, controls, transmits, transforms or utilizes mechanical or electrical power.

Coverage is provided with a \$100,000,000 limit per accident on a repair or replacement cost basis. A deductible of \$500 per occurrence for direct loss and 12 hours for indirect loss is applicable.

Coverage Includes:

- Property Damage (included in accident limit)
- Business Interruption/Extra Expense (included in accident limit)
- Service/Utility/Off Premises Power Interruption (included in accident limit)
- CFC Refrigerants (included in accident limit)
- Expediting Expense - \$1,000,000 limit
- Defense, Settlement, Supplementary Payments
- Refrigeration Interruption part of \$100,000,000
- Computer Equipment - \$1,000,000 limit
- Hazardous Substance/Pollutants - \$1,000,000 limit
- Perishable Goods/Spoilage/Consequential Damage - \$1,000,000 limit
- Data Restoration - \$1,000,000 limit
- Demolition and ICC/Cost of Construction - \$1,000,000 limit
- Mold - \$10,000 limit
- Newly Acquired Locations are automatically covered for up to 365 days

PROPERTY COVERAGE EXCLUSIONS AND LIMITATIONS

Under the property portion of the program there are certain exclusions that apply. They are shown on the certificate forms and include the following:

- Buildings and contents losses from settling, shrinkage, or expansion in foundations, walls, floors, or ceilings.
- Losses from wear and tear, inherent defect, deterioration, vermin or termites, corrosion, and all other losses of a degenerative nature.
- War risk losses.
- Nuclear damage losses.
- Mechanical or electrical breakdown (except that which is covered under the Equipment Breakdown Coverage), including electrical currents artificially generated unless loss by fire or explosion ensues, then the Society shall be liable only for the ensuing loss.
- Animals and pets; aircraft; watercraft, automobiles; trailers; semi-trailers or any self-propelled vehicles or machines, except motorized equipment not licensed for use on public thoroughfares and operated principally on the premises of the protected person.
- The cost of excavations, grading or filling; foundations of buildings; machinery, boilers or engines whose foundations are below the undersurface of the lowest basement floor; underground pilings, piers, wharves or docks, pipes, flues and drains.
- Growing crops and lawns
- Unexplained inventory shortages or property losses as a result of any willful or dishonest act by the protected person, or its agents or employees.
- Pollution
- Asbestos
- Terrorism
- Losses caused by mold that arises naturally due to high relative humidity, lack of ventilation, etc. However, if a covered loss occurs and mold develops “because of the covered loss”, we will cover the mold damage and compliance testing.

CRIME COVERAGE

EMPLOYEE FIDELITY

Protects against the economic loss of dishonest acts of employees and volunteers. Limited to \$250,000. A \$500 deductible applies.

THEFT

Covers money, securities, fine arts, and other property not otherwise covered. Limited to \$250,000. A \$500 per act deductible applies.

DEPOSITOR'S FORGERY

Covered losses by forgery or alteration of checks, drafts, promissory notes, and bills of exchange. Coverage extends to volunteers. Limited to \$250,000. A \$500 deductible applies.

PREMISES PUBLIC LIABILITY COVERAGE

Each parish, mission, educational, charitable, and religious institution under the control of the Archbishop is covered for Public Liability. This protects the Archdiocese, the parish, and any clergyman, religious, employee, parish trustee, or director while acting in the scope of his or her duties and any authorized person while working in the capacity of an agent and/or volunteer, provided that such person is operating within the scope of the duties delegated to such person. The liability coverage also extends to protect any church organization authorized and controlled by the parish or Archdiocese. Please note, coverage does not extend to long term care facilities services.

The Liability portion of the coverage program provides Liability coverage for claims arising out of bodily injury, property damage, personal injury, advertising injury, and corporal punishment. "Personal Injury" extends to cover such things as false arrest, libel, slander and defamation of character, violation of right of privacy, wrongful eviction, discrimination, shock, and mental anguish. "Personal Injury" does not cover liability due to violation of penal statute, liability assumed under a contract, violation of antitrust laws, or employment related claims.

FAULT DOCTRINE

The Archdiocese is not obligated to pay personal injury or property damage claims UNLESS THE ARCHDIOCESE IS GUILTY OF NEGLIGENCE IN CAUSING THE INJURY OR DAMAGE. There are no direct benefits available to injured individuals under Premises Public Liability Coverage if the Archdiocese is not negligent (other than Medical Payments benefits).

MEDICAL PAYMENTS

Medical expenses resulting from injuries sustained on Archdiocesan-owned property, without weighing the question of the Archdiocese's legal obligation, are covered on an excess basis up to a \$5,000 limit. We reserve the right to require the injured party submit to examination, at our expense, by physicians of our choice.

The Medical Payments feature of your program has certain exclusions and limitations, and it is important that you understand them. Four of the most important are:

1. It does not cover work-incurred injuries to employees. This coverage should be provided by Workers' Compensation insurance.
2. Students are excluded. This exclusion pertains to Medical Payments coverage only. If a student is injured and a claim is made against the Archdiocese, the Archdiocese is protected under the regular Premises Liability Coverage.
3. It does not cover injuries resulting from athletic activities.
4. It does not cover any tenant or other person regularly residing on the premises.

ATHLETIC ACTIVITIES

Liability protection is provided for claims resulting from athletic activities. This applies whether or not such athletic activities take place on or off the premises.

PARISH SPONSORED ACTIVITIES

Coverage automatically extends to cover the Parish for events such as carnivals, bazaars, parties, and picnics sponsored by the Parish whether on or off the premises without additional charge. (Animal rides, carnival rides, or other mechanized rides or equipment should be approved by Catholic Mutual prior to the event.) The Archdiocesan contract review policy should be implemented with regard to vendors providing services for special events for the parish to be sure there is adequate coverage to protect all parties. This policy requires you to obtain insurance from a vendor which names the Archdiocese and Parish as additional insured's.

PREMISES

"Premises" is defined as the area within the confines of the parish property and is extended to other locations away from the parish for occasional parish-related functions.

PRODUCTS

Protection is provided for liability claims arising out of the consumption or use of food or merchandise, both on and off the premises.

OWNER'S PROTECTIVE

This feature provides automatic liability coverage for the additional exposure to accidents as a result of new construction or major remodeling projects; however, all projects of this type should be reported to Catholic Mutual as soon as they begin.

TEACHER'S LIABILITY

All teachers on assignment are covered for their liability arising out of their teaching activities. Corporal punishment is included.

CONTRACTUAL LIABILITY

This feature extends the Plan to provide coverage for certain oral or written contracts or agreements. This does not cover breach of contract by either party.

AUTOMATIC COVERAGE

Coverage extends to newly acquired premises to be used for parish-related purposes; however, Catholic Mutual should be notified immediately upon acquisition.

DIRECTORS AND OFFICERS

Covers all educational, charitable, and religious institutions' boards operated and controlled by the Archdiocese.

LIQUOR LIABILITY

Covers claims resulting from occurrences arising out of the sale or dispensing of liquor by a parish or a Archdiocesan institution at scheduled social functions which are an integral part of the parochial or Archdiocesan activities.

WATERCRAFT

Covers non-owned watercraft up to 50 feet in length. This coverage does not protect the owner or provide physical damage coverage to the watercraft.

CARE, CUSTODY, OR CONTROL

Protects you from liability arising out of your use of personal property you do not own but which is in your care, custody, or control for the benefit and use of the Parish. Coverage is limited to \$250,000.

NON-OWNED/EXCESS AUTO

Excess auto coverage is provided to Religious, volunteers, and employees above their own coverage or the State financial responsibility limit while used for parish purposes. This extension of coverage is limited to \$500,000 and does not apply until the religious, volunteers or employees own coverage is exhausted.

COUNSELING ERRORS & OMISSIONS

Provides coverage for counseling activities performed in conjunction with church ministries. Coverage extends to social workers, psychologists and clinical psychologists but does not extend to other medical professional services rendered by a physician or other licensed health professional who may prescribe medications. Coverage also does not extend to Professional Services, including but not limited to: legal, engineering, surveying, architectural, financial advisory, scientific or other similar services.

INCIDENTAL MEDICAL MALPRACTICE INJURY

Protects the Archdiocese, parish, or agency for injury arising out of the rendering of medical screening or nursing services provided on your behalf; the furnishing/dispensing of drugs; and the providing of emergency medical/dental (or other related services) if not provided by the Archdiocese, parish or agency.

This protection does not apply to any Medical Professional for their personal acts or omissions of a professional nature. Medical Professionals include but are not limited to: physicians, psychiatrists, physician assistants, pharmacists, nurse practitioners, advanced registered nurse practitioners, nurse midwives, paramedic/emergency medical technicians, dentists, any individual licensed to prescribe medication or admit to hospitals, etc.

However, parish and school nurses (R.N.'s) are protected for their personal acts of a professional nature so long as they are acting within the scope of their training and duties.

EMPLOYEE BENEFIT LIABILITY

Coverage provided for errors and omissions arising out of the administration of an employee benefit program.

CEMETERY ERRORS AND OMISSIONS

Provides coverage for any alleged negligent act, error, or omission in conjunction with cemetery operations.

FIRE LEGAL LIABILITY

Protects the Archdiocese for its legal obligation for property damage to structures rented to or occupied by Archdiocesan entities.

EXCESS EMPLOYERS LIABILITY

Protects the Archdiocese, Parish, or agency from liability for damages related to workers' injury-related claims against their employer. This coverage is excess to the employer's liability coverage which is part of your Workers' Compensation policy.

EMPLOYMENT PRACTICES LIABILITY PROTECTION

Coverage provided for the actual or alleged discrimination against an employee or an applicant for employment and the actual or alleged wrongful employment termination against an employee, provided that such termination or discharge occurs only after you have sought and followed the advice of a qualified attorney or other individual approved by Catholic Mutual.

LIMITED SEXUAL MISCONDUCT

Protects the Archdiocese for its legal obligation to pay as the result of a sexual misconduct claim. Failure to report an incident may nullify coverage.

LIMITED MOLD COVERAGE

Coverage provided for damages because of bodily injury or property damage caused by the actual, alleged, or threatened inhalation of ingestion of, contact, with exposure to, existence of or presence of any mold on or within a building structure, including contents. Coverage is limited to \$250,000 per claimant subject to a per occurrence/annual aggregate limit of \$250,000. A deductible of \$10,000 is applicable.

PRIESTS' PERSONAL COVERAGE

PRIEST/RELIGIOUS PERSONAL PROPERTY

Covers personal property of assigned priests and religious on a replacement cost basis up to \$25,000. A deductible of \$100 applies per occurrence (theft is included); a \$2,500 deductible applies for wind/hail losses. Additional coverage is available on an individual basis through Catholic Mutual for an additional charge.

COMPREHENSIVE PERSONAL LIABILITY

Covers each priest or religious on assignment for his negligent personal acts up to \$300,000 per occurrence. This coverage does not include auto liability.

INTERNATIONAL CASUALTY PROGRAM

The following information is a brief summary of benefits provided through the International Casualty Program. Contact the Chancery Office or Catholic Mutual for a complete listing of benefits and limits.

GENERAL LIABILITY COVERAGE

This coverage applies to liability incurred as a result of foreign travel by your clergy, employees and volunteers or as a result of their temporary assignment to foreign locations. This coverage is subject to an Abuse or Molestation exclusion. It also does not extend to cover foreign facilities that you may own.

FOREIGN AUTO LIABILITY COVERAGE

This coverage provides you with Excess Auto Liability Protection over the primary coverage provided by a rental car company or the primary coverage taken out on any owned or leased automobile.

FOREIGN VOLUNTARY COMPENSATION AND EMPLOYERS LIABILITY COVERAGE

This coverage provides Voluntary Compensation Payments for injuries to your clergy and employees while traveling within the Foreign Coverage Territory. This coverage also entitles you to benefits provided by Catholic Mutual's Injury Assistance Plan. The Assistance Plan covers items such as:

- Medical Referrals
- Medical Evacuation
- Repatriation
- Delivery of Prescriptions
- Return of Spouse and Children

A complete listing of the benefits and conditions of the Injury Assistance Plan, as well as Identification cards for travel purposes, are available upon request.

E-COMMERCE PROTECTION

Covers your exposure to loss when conducting business activities across the internet. Coverage is limited to \$250,000 annual aggregate subject to a \$1,000 deductible.

Coverage Includes:

- Business Income Loss
- Dependent Business
- Intellectual Property Development Costs
- Loss Event Liability*
- Electronic Publishing Liability*
- Computer Theft
- E-Business Extortion

*Coverage for these agreements is limited to damages and defense expenses resulting from claims first made against you during the certificate period.

CLAIMS REPORTING INSTRUCTIONS

PROPERTY

If you have a property damage loss, take whatever means are necessary to protect the property from further damage. If contents are involved, separate the damaged articles from the undamaged. If buildings are open to the elements, arrange for temporary protection. You will be reimbursed for this expense. **CONTACT CATHOLIC MUTUAL AS SOON AS POSSIBLE.**

LIABILITY

It is important that all persons understand the scope, intent, and limitations of liability coverage. Pastors and persons holding positions of authority should be extremely cautious about discussing, interpreting or assuming liability.

If someone is injured on your premises, obtain the pertinent facts and names and addresses of all witnesses. Tell the injured person that you carry liability coverage and that it will be referred to your carrier. A fair and impartial investigation will be made by an adjuster to determine the facts as to whether or not the parish is guilty of negligence. **DO NOT UNDER ANY CIRCUMSTANCES ADMIT LIABILITY** or prejudge the facts. By doing so, you could be exposing the parish and the Archdiocese to a claim unnecessarily or to a claim which might exceed the amount of liability coverage carried. **IT IS IMPORTANT THAT YOU DO NOT DISCLOSE TO ANYONE THE LIMITS OF LIABILITY YOU ARE CARRYING.**

If you should be approached by anyone other than our adjuster, do not give that person a statement or deposition; simply refer that person to our adjuster.

If you are served a Summons, refer this promptly to our adjuster, because each Summons contains a deadline.

REPORT ALL CLAIMS TO:

**Tim Hogan
Catholic Mutual Group
10843 Old Mill Road
Omaha, NE 68154-2600
(402) 514-2417, Ext 2417
(800) 228-6108, Ext 2417
FAX (402) 551-2943**

ARCHDIOCESE OF OMAHA - 0001
APPLICATION FOR SPECIAL EVENTS COVERAGE

Coverage Limit: \$1,000,000 Combined Single Limit Bodily Injury and Host Liquor Liability, \$500,000 Property Damage Liability.
Includes \$100,000 for Defense Costs for Sexual Misconduct, excluding overnight events (*see below for purchase options*).
Coverage provided is per event (not per claim). **Submission of application does not bind coverage - all events are subject to approval.**

Coverage underwritten by **Nationwide Mutual Insurance Company**; Policy No. on file with C.M.G. Agency, Inc.

Cost of Coverage: No Charge Per Event

TO AVOID DELAY OR DENIAL OF COVERAGE, PLEASE ENSURE THAT EVERY FIELD IS COMPLETED.

Name of Parish or Institution:

Street (Physical) Address (NO P.O. BOXES):

City/State: _____ **ZIP Code:** _____

Phone No.: _____

Lessee (Additional Insured) Information:

Name of Sponsoring Organization or Individual Requesting Coverage

(Please Print Lessee Name(s) or Organization)

Lessee (Additional Insured) Contact Person:

Name: _____

Street Address: _____

City/State: _____ **ZIP Code:** _____

Telephone: _____

Date of Event: _____

Type of Special Event (Example: wedding reception, anniv. party, etc. If it's a **FUNDRAISER**, be specific about what is occurring):

Time of Event: From _____ To _____

Is this an overnight event?

Yes _____ No _____

Approx. Number of Participants: _____

Is Food Being Served?

Yes _____ No _____

Is Liquor Being Served?

Yes _____ No _____

#####

To receive approval notification please print e-mail(s):
(Please Print E-mail(s) Clearly)

**COVERAGE DOES NOT APPLY TO CERTAIN EVENTS,
SUCH AS, BUT NOT LIMITED TO:**

- Any carnival event
- Fireworks & fireworks displays
- Events involving 'BYOB' (Bring your own bottle)
- Events involving pool or lake activities
- Events involving recreational vehicles
- Events with attendance of more than 1,000 persons
- Rap/Hip-Hop/Alternative music (non-religious bands)
- Events organized or operated by professional promoters/performers
- Organized sporting events, including tournaments & camps (some sporting activities are allowed and must be pre-approved).
- Events where a fee or admission is charged, unless all proceeds go to charity
- Political Rallies
- Amusement rides, including mechanically operated devices, trampolines, & rebounding devices

To Note: If liquor liability coverage is NOT purchased and an alcohol related claim results, the claim will be excluded if it is determined that a liquor liability policy should have been purchased.

**DEFENSE COSTS FOR SEXUAL MISCONDUCT
FOR OVERNIGHT EVENTS - \$100,000 LIMIT**

Coverage does not automatically apply for overnight events, however, you have the option to purchase this coverage by separate application. Additional charge may apply.

Do you want to apply for this coverage? _____ Yes _____ No

ADDITIONAL CHARGES WILL APPLY FOR:

- Events which exceed 3 days in duration (charge TBD)
- Inflatable Amusement Device (A charge of \$100 per device applies. Must be pre-approved, picture required.)

COMPLETE AND RETURN THIS FORM TO:

CATHOLIC MUTUAL GROUP
ATTN: LAURA SCOTT
10843 OLD MILL ROAD
OMAHA NE 68154

Toll-Free: 1-800-228-6108, ext 2325
Local: 402-514-2325

IN THE EVENT OF A CLAIM, PLEASE CONTACT C.M.G. AGENCY CLAIMS DEPT: 800-228-6108

IN THE EVENT OF A CLAIM, PLEASE CONTACT C.M.G. AGENCY CLAIMS DEPT: 800-228-6108

WORKERS' COMPENSATION CLAIMS/BENEFITS

Purpose

The Archdiocese of Omaha, with the assistance of Catholic Mutual, has worked to maximize the element of safety for our priests and lay employees. Over a period of years this has helped to reduce the number of Workers' Compensation claims filed as a result of injury on the job, and subsequently, the premiums as well.

Claim Reporting

In those accident situations that do occur, A "First Report of Alleged Occupational Injury or Illness" form (which is attached) must be completed and forwarded to Catholic Mutual within SEVEN DAYS FROM THE DATE OF INJURY. Failure to report a claim on a timely basis, places the filing institution into a potential penalty situation with the State of Nebraska.

It is recommended that the "First Report" form be completed by someone other than the injured worker, such as an administrator, supervisor, principal, etc. As soon as this is done, a telephone call should be placed to Catholic Mutual Workers Compensation Claims Specialist - 551-8765, so the Claims Department may take initial information to set up the claim. Any claim involving the hospitalization or death of an employee should be called in immediately. A 24-hour claim service is available to insure that the "First Report of Injury" is completed accurately and filed to Catholic Mutual within the required seven days of injury.

Payments on Claim

Timeliness is important, so healthcare provider bills are paid directly by Workers' Compensation rather than having to reimburse the employee or his/her own healthcare insurance plan. Payments based on a verified claim can be expected accordingly:

Medical Claims - 7 to 10 days after receipt of medical bills.

Work Loss Pay - First check must be sent out within 14 days of reported injury per state law. (If an employer continues to pay an employee for time away from the job, the employer is entitled to the checks received from Catholic Mutual. The employer must credit back to employee any sick leave and vacation days charged to he/she during a Workers' Compensation related absence.)

Permanent Disability (if applicable) - when final extent of injury is determined by employee's physician.

Conclusion

Questions should be directed to the Workers Compensation Claims Specialist at Catholic Mutual, or in his/her absence, to the Archdiocesan Finance Director.

EXHIBIT 1

Nebraska Workers' Compensation Court

First Report of Alleged Occupational Injury or Illness

 NWCC Form 1
 Revised 11/2006

Employer									
Employer FEIN _____		SIC Code _____		Report Purpose _____		OSHA Log Case # _____			
Employer Name(s) _____				Insured Name (If different from employer name) _____					
Address _____				Insured Address (If different) _____				Location _____	
City _____									
State _____		Zip Code _____		Phone _____					
Insurance Carrier									
Carrier FEIN _____				Administrator FEIN _____					
Name _____				Claim Administrator (Name, address & phone number) _____					
Address _____									
City _____									
State _____		Zip Code _____		Phone _____		Self Insured ☐			
Policy Number _____				Check if Appropriate		Claim Administrator Claim # _____			
Policy Period: From _____ To _____						Jurisdiction Claim # _____			
Insurance Carrier/Self-Insured Code # _____				Insured Report # _____		Jurisdiction _____			
Employee									
Name (Last, First, Middle) _____				Full Pay for DOI Yes ☐ No ☐		Number of Days Worked Per Week _____		Sex Male ☐ Female ☐	
Address _____				Salary Continued Yes ☐ No ☐					
City _____				Number of Dependents _____		Occupational Job Title _____			
State _____		Zip Code _____		Phone _____		Occupational Code _____			
Date of Birth _____		Social Security Number _____		Date Hired _____		NCCI Class Code _____			
						Date Employee Began Work-Related Duties _____			
						Employment Status FT ☐ PT ☐ Other ☐			
Occurrence/Treatment									
Date of Injury/Illness _____		Time Employee Began Work _____ AM ☐ PM ☐		Time of Occurrence _____ AM ☐ PM ☐		Last Work Date _____			
Where Did Injury/Illness Occur?				(Cannot be determined ☐					
County _____ State _____ Zip _____				Did Injury/Illness Occur On Employer's Premises?		Yes ☐ No ☐			
Date Employer Notified _____		Date Disability Began _____		Date Returned to Work _____		If Fatal, Give Date of Death _____			
Type of Injury/Illness (Briefly describe the nature of the injury or illness; e.g. lacerations to forearm)								Nature of Injury Code _____	
Part of Body Affected (Indicate the part of the body affected by the injury/illness; e.g. right forearm, lowerback; and how it was affected)								Part of Body Code _____	
How Injury/Illness Occurred (Describe activity and tools, materials, equipment the employee was using; how injury occurred)								Cause of Injury Code _____	
Initial Treatment: No medical treatment ☐		Emergency Room ☐		Future major medical/lost time ☐		Name of physician or other health care provider: _____			
First aid by employer ☐		Hospitalized overnight ☐		Hospitalized > 24 hours ☐					
Minor clinic/hospital ☐									
Date Administrator Notified _____		Form Preparer's Name, Title and Phone _____						Date Prepared _____	

SAFETY COMMITTEE

Purpose

Enclosed find model material which you may utilize in complying with LB 757 which became law in September of 1993. The Nebraska Statute 48-607 requires any public or private employer subject to Nebraska's Workers' Compensation Act to establish a safety committee and to maintain an injury prevention program. The material is based on a model provided by Catholic Mutual.

Duties of Safety Committee

- 1) Keep names of safety committee members with the written injury prevention program.
- 2) Have equal number of committee members representing employer and employees. There is no requirement regarding number of committee members.
- 3) Meet annually.
- 4) Maintain written minutes of its meetings for at least three years.
- 5) Where employees are not represented by a collective bargaining unit, employee members may volunteer to be on the committee. There is no requirement regarding length of term. However, every two years employees should be offered an opportunity to serve on the committee.
- 6) Employer must provide a written **Injury Prevention Plan** (exhibit 1) and provide upon initial employment and **annually** for all employees information regarding the plan, safety rules, policies, and procedures.

Annual Safety Inspection

The model injury prevention plan must indicate that a comprehensive safety inspection will be conducted annually. The annual Catholic Mutual inspection will meet this requirement.

Conclusion

Finally, be sure to adapt the model **Injury Prevention Rules, Policies, and Procedures** (exhibit 1) to your particular parish. A separate model has been provided to the schools of this archdiocese through the Catholic Schools Office. Questions should be directed to the Archdiocesan Finance Director.

EXHIBIT 1

Safety is NOT an Option in Nebraska... IT'S THE LAW!

*As of January 1, 1994, you could be fined \$1,000 a day for not complying with Nebraska State Law... ****

- EVERY public and private employer subject to Nebraska Workers' Compensation shall establish a Safety Committee.
- The Safety Committee shall adopt and maintain an effective Written Injury Prevention Program.
- The written plan must meet current Nebraska State Department of Labor requirements.

Because _____ is committed to providing a safe and healthy workplace for our employees and because we would like to maintain our outstanding safety record and comply with new legislative requirements, we are forming a Safety Committee whose responsibilities will include:

- Establishing safety rules, policies and procedures
- Establishing and maintaining an effective written injury prevention program
- Providing safety education and training
- Accident review

As a result of this, we are asking for two volunteers to serve on this Committee for a minimum of one year. If you are interested in volunteering for the Safety Committee, please contact _____.

***Lack of compliance enforceable only after final approval and dissemination of regulations in November of 1994.

SAFETY POLICY STATEMENT

_____ is committed to providing a safe and healthy workplace for all employees. It is our ultimate goal to achieve total injury prevention. In an effort to achieve our goal, a comprehensive Safety Program has been implemented which includes the formation of a Safety Committee, the establishment of safety policies and procedures, the adoption of a written Injury Prevention Plan and the development of a training program emphasizing good safety and health practices for all employees.

INJURY PREVENTION PLAN

The personal safety and health of each employee of _____ is of primary importance. To achieve this, _____ has adopted an Injury Prevention Plan with the intent of reducing the frequency and severity of accidents and injuries which could occur at _____. Total injury prevention, while difficult to achieve, is the ultimate goal of the plan.

The following Risk Management measures will be used to achieve our goal of zero injuries:

1. Employee safety training will take place annually for all employees. Safety rules, policies and job specific procedures will be addressed during this training. Attached is a list of general rules, policies and procedures.
2. A comprehensive safety inspection will be conducted annually to find and eliminate unsafe working conditions or practices (if any), to control health hazards (if any) and to comply with safety and health standards. These inspections will be conducted by _____ an employee member of the Safety Committee. A report listing safety recommendations to correct the hazards identified during the inspection (if any) will be sent to the _____ for corrective action.
3. A prompt and thorough investigation will be made of each accident or injury to determine its cause and to implement corrective measures.
4. Technical assistance regarding Risk Control will be obtained by working closely with the parish's insurer.

INJURY PREVENTION RULES, POLICIES & PROCEDURES

All _____ employees should follow these safe practice rules and report any unsafe working conditions or practices (if any) to their supervisor or a member of the Safety Committee.

1. When lifting heavy objects, employees should bend their knees and use the muscles in their legs rather than the muscles in their back.
2. Heavy objects should always be transported on a rolling cart and moved by more than one person.
3. Every effort should be made to store heavy items on lower shelves in storage areas.
4. TV carts should always be moved by two people.
5. Office furniture should never be used as a substitute for a ladder. Ladders should be maintained in good condition.
6. Only high quality, heavy gauge industrial type extension cords may be used. These cords can be obtained from your local hardware dealer.
7. Any accidents or injuries should be reported promptly to the pastor so that arrangements can be made for medical and/or first-aid treatment. All accidents must be promptly reported to Catholic Mutual.

SAFETY COMMITTEE MEMBERS

Employer Representatives

Date Appointed

Employee Representatives

Date Appointed

CHILD CARE

Purpose

The purpose of this policy is to provide the Federal, state and local governmental regulatory requirements, as well as the guidelines of the Archdiocese of Omaha, which are to be followed when a parish or school provides licensed child care and preschool programs. Each parish or school should insure child well being at all times, identify and minimize risks of liability and plan and operate in a sound financial manner.

Each parish or school corporation should consider developing and maintaining a personnel policy book, child care center policy booklet and child care program/parent handbook to meet its specific personnel and operational needs and facilitate open communication with employees, volunteers and parents/guardians.

Risk Assessment

When parish or school premises are used for child care related purposes the pastor and/or school administrator should evaluate the potential for liability that each such service (child care, preschool, baby-sitting during masses, special events, etc.) may present. In all cases, responsible, adult supervision must be in place at all times and in a controlled area.

The parish or school may be liable for accident or injury occurring on parish or school grounds for both sponsored and non-sponsored child care activities, even without direct participation by the parish or school staff. If the parish or school does not have a safe, controlled environment for any level of formal or informal child care, it is recommended that these activities NOT be allowed to occur on parish or school premises or be sponsored off-site.

Business Plan

Prior to the establishment of a child care operation, the pastor or school administrator, in consultation with the parish finance council or school board (for non-parish schools), should develop a business plan, which includes the following elements:

Mission statement - purpose and scope of child care operation and how it relates to the Catholic ministry of the parish or school.

Start up costs - projected costs of any renovation or remodeling needed to prepare the site.

Cash flow statement - projected revenues and expenditures for a 24 month period and the source of funding for any temporary cash short fall. Careful attention should be given to the estimated numbers and ages of children and impact on staffing requirements and subsequently, salaries and benefit costs.

All age, education and experience requirements, as well as the initial and annual first aid and CPR mandated by NDHHS for the center director and childcare givers, are the responsibility of the parish or school to meet and maintain.

Within 30 days of hire and annually thereafter, each staff member is required to provide a “Health Information Report” current within six months of hiring or a report containing the same information.. This form is due every two years to NDHHS.

Nebraska State Fire Marshall (sfm.state.ne.us)

All fire prevention ordinances must be adhered to during any site construction or renovation and issue correction, following annual inspections by the local Nebraska State Fire Marshall.

Fire exits/fire-tornado evacuation - there must be at least two unblocked means of egress from every floor, from each child care area, with floor plans posted at each exit. Periodic drills (total of six per year in alternating months) will be conducted by the staff, with the children present.

Fire extinguishers must be checked annually.

Preschools with 13 or more children must have a complete commercial fire alarm system, with pull stations at each exit, as approved by the Nebraska State Fire Marshall’s office. Preschools with 12 or fewer children must have a residential type smoke detector on each floor used for child care which should be checked annually.

Preschools with 13 or more children must have a door leading directly to the outside from each child care area and be sprinkler protected, or have windows which meet specific size and operating standards as established by the Nebraska State Fire Marshall.

Preschools with 13 or more children must provide emergency lighting in all corridors, stairs, exits and windowless child care areas.

City/County Permits and Inspections

All local zoning ordinances must be adhered to prior to any site construction or renovation. Normally, the parish or school architect or attorney can be consulted in the resolution of these matters.

Occupational Safety Health Administration (www.osha.gov)

While no OSHA regulations specifically target child care operations, questions regarding areas of interest or responses to claims filed may be researched on OSHA’s web site. In some cases, it may be necessary to contact the Catholic Mutual Claims/Risk Manager or an attorney for assistance.

Safety

All employee or volunteer drivers shall produce a valid driver's license, a copy of which should be maintained by the parish or school. No employee or volunteer shall transport another adult or child for a parish or school-sponsored event without a valid driver's license and evidence of proper insurance coverage and appropriate child restraint systems as required by Nebraska statute (Section 60-6.267).

Emergency phone numbers are to be posted near a readily accessible, non-pay phone in the center.

A smoke-free environment must be maintained in all child care areas. These areas must be controlled, with access restricted through the use of child-proof locks and sign in/sign-out procedures strictly followed, and include child care support areas such as bathrooms, kitchens and closets. Children must be accompanied by a staff person during outside play.

Toys and playground equipment utilized in the child care areas should be routinely inspected for potentially hazardous conditions, with broken items immediately discarded. Any cribs, furniture, equipment or supply items which pose a tip-over potential should be stabilized or removed. Safety caps should be placed over electrical outlets in all areas to which children may have access.

A fully-stocked first aid kit, which includes disposable gloves, should be readily available in each child care area to treat minor injuries. These kits should be secured at all times.

All food should be purchased from reliable commercial sources and protected from contamination while stored, prepared, displayed, served or transported. Separately locked storage must be maintained for insecticides, cleaning supplies and other poisons kept in the center. Refrigerators and freezers must be located in locked areas that are inaccessible to children. (This requirement is in accord with Article 13 of the USCCB "Charter for the Protection of Children and Young People").

Safe Environment

In accordance with Article 12 of the USCCB "Charter for the Protection of Children and Young People", the Archdiocese of Omaha will maintain a "safe environment" program, cooperating with parents, civil authorities, educators and community organizations, to provide education and training for children, youth, parents, educators and others, regarding the nature of child abuse and how adults can help to prevent harm to children.

Archdiocesan Employee and Volunteer Screening

All applicants shall complete a Notification and Authorization form and undergo a background check. Once the form is completed, it shall be sent to the Safe Environment Office at the Chancery for submission to contracted providers of background checks. The background checks shall include searches of various national criminal information databases, national sex offender registries, and Social Security Number verification. Results shall be reviewed by the Safe Environment Office and shared with the hiring authority. In the case of a parish, the pastor shall make the final decision as to whether the applicant is qualified to work for the parish. (This requirement is in accord with Article 13 of the USCCB "Charter for the Protection of Children and Young People").

NDHHS Employee and Volunteer Screening

Candidates, 19 years of age or older, being considered for employment in the center, shall submit a signed “Felony/Misdemeanor Statement” (CRED-0600) and a “Release of Information Form” (exhibits 1 and 2) to the director, who will forward them to NDHHS. Names of candidates shall be cleared against the Nebraska Child Abuse and Neglect Central Registry and the Nebraska Adult Protective Services Central Registry by NDHHS department staff.

Education and Training

Employees and volunteers should be provided an orientation and ongoing education and training process, to include the following areas (written policy and procedures are desirable for reference):

code of behavior - in accordance to Article 6 of the USCCB “Charter of the Protection of Children and Young People”, employees or volunteers who come in regular contact with children and young people will be expected to read, sign and follow a “code of conduct” as a precondition to participating in a child care program in an Archdiocesan institution.

reporting child abuse/neglect - Nebraska Statue 28-711 imposes a mandatory duty upon any person (employee or volunteer) to report child abuse or neglect, if he or she has “reasonable cause” to believe a child has been so subjected. The report is to be made immediately to Child Protection Services at 1-800-652-1999 or local authorities. Any person failing to make a report shall be guilty of a Class III misdemeanor, which is subject to imprisonment, or fine, or both. The verbal report must be followed by a written report. Cooperation will be provided to authorities in their investigation within the law of jurisdiction in question. A subsequent verbal report, followed by a written report, will be made to the Chancellor of the Archdiocese for all incidents involving sexual abuse.

(The above process is in accord with Article 4 of the USCCB “Charter for the Protection of Children and Young People”).

child illness - Children will not be allowed to attend the center when suggestive symptoms (elevated temperature, vomiting, diarrhea, etc.) or diagnosed communicable diseases are present. The parent or guardian will be asked by the center director to remove the child immediately. Each parent or guardian is asked to report all diagnosed communicable diseases, so other parents and guardians may be notified.

injury procedures - Minor injuries (bumps, bruises, cuts or scrapes) will be treated by the center staff immediately. All injuries will be reported on an accident/incident form and information provided to the parent or guardian by the center director.

employee injury procedures – workers’ compensation (See Worker’s Compensation Policy). first aid procedure/CPR - training, certification and renewal must be obtained per requirements of the Nebraska Department of Health and Human Services.

medication control - all medications (prescription and nonprescription) including those of the center staff, must be secured at all times.

infection control - concerns about presence of communicable disease are to be immediately reported to center director.

accident/incident form - documents what occurred, any resulting injury and who were the witnesses and should be retained by the center director.

discipline procedure - the center director and parent or guardian must be notified of the nature of any child disciplinary actions taken by the center staff.

complaint procedure - the center director must be notified of all parent or guardian complaints for resolution.

cleaning procedures - disinfect and launder to reduce potential for germ transfer.

confidentiality - client records and related information will not be released without parent or guardian written permission, except as otherwise provided by law.

Personal Liability

Situations in which employee/volunteer care givers utilize personal vehicles to transport children (other than their own) to parish or school sponsored events, should be avoided, to prevent the possibility of their personal assumption of liability, in case of accident, injury or property damage. Questions may be directed to the Claims/Risk Manager at Catholic Mutual.

Non-parish or non-school sponsored activities, held off parish or school grounds, will be conducted at the personal risk of the participating individuals.

Contracted Services

Child care rendered on parish or school grounds by lease or child care agreement through an outside provider must contractually provide for adequate levels of insurance to indemnify the parish or school from property damage or personal injury, caused as a result of the presence of the child care operation and its staff on campus. It will be the responsibility of the outside service provider to adhere to all NDHHS and Nebraska State Fire Marshall standards. In addition, steps should be taken to allocate any applicable real estate property tax liability for the leased building/grounds to the outside provider. The parish or school attorney and Catholic Mutual should be contacted prior to the finalizing of any written agreement.

Registration Information

Upon the completion and acceptance of an enrollment form, parents or guardians should be given a copy of the child care program/parent handbook, which states the policies and procedures which will be followed in the care of their children. A form should be provided and signed that it has been read and understood. Program goals and a daily schedule should be posted by the center director for review.

As part of the registration process, the following materials should be provided by the parent or guardian:

emergency phone number contact list

medical & health history form - the center will have on file a completed "Children's Record" Form (DSS-0363) or a form which contains at least the same information, for each child upon enrollment. This information must be made available to NDHHS staff upon request.

immunization record - children enrolled must meet at least minimum Nebraska State requirements.

Consent/Release Information

The following forms should be provided to the parent or guardian as necessary:

consent form for medical treatment - the parent/guardian must sign this form, as medication administration is requested. Staff must record the dosage, date, time and initial each time the medicine is provided to the child.

Field trip consent release form - in those situations in which children will be physically transported by the parish or school, a permission form must be received from the parent or guardian prior to the field trip. It should provide complete information about the arrangements, including what type of vehicle will be utilized, as well as confirmation that such vehicle and seating/seat restraints are in compliance with current Federal and State of Nebraska requirements.

Financial Administration

As with any aspect of parish or school function, the cost to run a child care operation should be included in the annual budgeting process conducted and reported to the Chancery, taking into particular consideration, anticipated changes in the number and age of the incoming children. Program "6" may be used within the monthly parish accounting system to separately budget the appropriate revenues and expenses.

As actual child care operating results are reported through the accounting system, all transactions should be recorded to Program "6". A separate income statement may be produced to review revenues and expenses each month.

Internal Control

A separate checking account should be established for tracking receipts and disbursements. When fees are collected, particularly cash, a receipt must be provided to the parent or guardian. The receipt book and cash receipts are to be directed to the parish or school bookkeeper, who will reconcile the bank statement to the parish books. Neither the center director nor any child care staff member will be allowed to perform these activities. Receipts should NOT be permitted to accumulate in the child care area.

Conclusion

Adherence to regulatory and Archdiocesan requirements, appropriate risk management evaluation, continual personnel training, financially prudent bookkeeping oversight and adequate internal control procedures must be part of the child care provided by parishes and schools as part of the education ministry of the Archdiocese of Omaha.

Any questions concerning this policy or referrals to current child care operations may be directed to the Archdiocesan Finance Director. Inquires regarding liability issues or insurance coverage should be referred to the Claims/Risk Manager at Catholic Mutual.

EXHIBIT 1

PROCEDURES FOR REQUESTING CENTRAL REGISTRY CHECKS

Child Care and Preschool regulations require Directors to conduct background checks on both the Nebraska Central Registry of Child Abuse and Neglect and the Adult Protective Services Central Registry **BEFORE** a staff person is hired. Directors can use the following steps to request the checks be completed:

1. Programs requesting background checks on an ongoing basis must send in a letter requesting permission to access the information on the registries. This letter should include: Name of the facility, address, telephone number, contact person and a short description of the program. This letter must be mailed or FAX to:

Child Care Licensing

Department of Health & Human Services Regulation and Licensure

P.O. Box 94986

Lincoln, NE 68509

FAX (402) 471-7763

2. After programs are given access, a letter will be mailed out to the program informing them they have been given permission to access the information on the registries. Permission forms that **MUST** be signed by the applicant giving permission to have these checks completed will be included in this letter.
3. When it is time to hire a new staff person, Directors need to have candidates sign the permission form. This form must be forwarded to the Department in order to have the checks completed. Request for background checks can be mailed or FAX to:

Child Care Licensing

Department of Health & Human Services Regulation and Licensure

P.O. Box 94986

Lincoln, NE 68509

FAX (402) 471-7763

4. In response to requests, the Department will conduct the checks and notify programs if the person's name appears or does not appear on the registries. Programs will receive written verification.
5. When submitting completed release forms by mail, please include a self-addressed envelope with your requests.

**PLEASE REMEMBER THAT ALL INFORMATION YOU RECEIVE FROM THE
REGISTRIES IS CONFIDENTIAL!**

EXHIBIT 2

RELEASE OF INFORMATION FORM

Nebraska law requires:

*"Candidates being considered for employment as a director, teacher, assistant teacher, and all support staff must be checked against the Nebraska Central Registry of Abuse and Neglect and the Nebraska Adult Protective Services Central Registry **BEFORE** being hired."*

Before being accepted as an employee/volunteer/intern for:

Name of Facility

Address, City, State, Zip Code

Area Code, Phone Number

Fax Number

We need to check the Nebraska Child Abuse/Neglect Central Registry and the Nebraska Adult Protective Services Central Registry to confirm your name does not appear. In order to complete this background check, the Department needs your permission.

I authorize Nebraska Health and Human Services System to release information from the Child Abuse/Neglect Central Registry **AND** the Nebraska Adult Protective Services Central Registry pertaining to me to _____

Name of Facility

The Department may state if my name appears or does not appear on the registries.

Printed Name

Signature

Date of Birth

Social Security Number

Date of Signature

Other names used in the past 20 years

ARCHDIOCESAN INVESTMENT POLICY

Purpose

The following broad based standards, as established by the Archbishop, are to be used by each institution of the Archdiocese when investing the financial resources of the Church as part of its stewardship obligation. The mission statement of the Archdiocese of Omaha states: "We will collaborate as stewards of the local church by developing our many resources and by planning together to meet our present and future goals."

Each archdiocesan institution's governance of its investments must include offering various asset classes and investment management styles that, in total, are expected to offer a sufficient level of overall diversification and total investment return to meet its annual financial requirements, within reasonable and prudent level of risk, as determined by its short term cash flow requirements and asset preservation and long term return expectations.

Duties and Responsibilities

Finance Council/Investment Committee

In its fiduciary /advisory capacity to the pastor / administrator or board, the council / committee will:

1. Prepare and maintain the investment policy.
2. Prudently diversify the portfolio assets.
3. Quarterly monitor and meet with the investment manager to review performance objectives, benchmarks and watch list procedures.
4. Review investment, record keeping and administrative expenses.
5. Oversee investment advisors, managers and service vendors.
6. Avoid inappropriate transactions and conflicts of interest (see Archdiocesan Investment Conflict of Interest Policy).

Investment Manager

Professional managers and investment advisors can play a key role, both in recommending and selecting investments for your institution and helping to define the appropriate level of risk and/or managing within the risk parameters specified.

Each institution of the Archdiocese should prepare an "asset allocation objective" for each of its portfolios and review it with each investment manager/advisor initially; and modify/ratify each at least annually, thereafter.

Each investment manager should be prepared to meet or exceed the performance objectives as agreed to, in writing, by your institution as well as adhere to the investment practices and style stated as requirements of your institution and of the Archdiocese of Omaha as presented in this document. Each manager should be advised to immediately contact your institution for a recommendation when an investment exception occurs.

The investment manager will follow due diligence criteria in selecting investment managers to include: peer group comparisons, performance against assumed risk, length of track record, size of fund, holdings consistent with fund investment style, expense ratios/fees and stability of the fund family.

Each investment manager/advisor arrangement should be defined in writing, including all fees and expenses associated with the accounts, funds and individual transactions within your institution's portfolio.

Each manager/advisor should be prepared to notify your institution should a change occur in its investment or portfolio re-balancing strategies, its ownership or organization structure, its financial condition or senior personnel.

Each investment manager/investment advisor should submit monthly accounting reports and quarterly written reports and be prepared to meet with the pastor/administrator and/or board to review investment results at least annually. This review should include comparing rates of return against the appropriate indices or benchmarks.

Custodian

Custodians are responsible for the safekeeping of the portfolio assets to include:

1. Valuing the holdings.
2. Collecting all income and dividends .
3. Settling all transactions (buy-sell orders) initiated by the Investment Manager.
4. Providing monthly/quarterly/annual reports that detail transactions, cash flows, securities held and their current value, and change in value of each security and the overall portfolio.

Investment Managers

The duties and responsibilities of the mutual fund managers are to:

1. Manage the assets under their supervision in accordance with the respective service agreement, prospectus or trust agreement.
2. Exercise full investment discretion with regards to buying, managing, and selling assets held in the portfolios.
3. Seek approval prior to purchasing unregistered securities, derivatives, commodity transactions and short sales or margin transactions.
4. Communicate to the Committee all significant changes pertaining to the fund it manages or the firm itself, to include changes in ownership, organizational structure, financial condition, and professional staff.
5. Use the skill, prudence, and due diligence required of experienced investment professionals in accordance and compliance with all applicable laws, rules, and regulations.

Investment Constraints

Fund Parameters

Fiduciaries of Church or Church related funds have a responsibility to follow internal or external constraints placed on the funds in their care:

General operating funds (generally unrestricted or undesignated as to use)

This permits the broadest base of investment discretion to be exercised by a pastor and/or board acting as fiduciary. Both principal additions and return on investment may be invested and expended as necessary to meet operating requirements.

Internally designated funds (directed for a particular purpose)

If donor restricted funds are mixed with general operating funds, with no separate accounting procedures, these funds should be considered totally restricted as to use or investment. Both principal additions and return on investment may be expended, as necessary, to meet the stated internally designated purpose, unless mixed donor funds limit or prohibit this ability.

Restricted funds (directed for a particular purpose)

All donor restrictions placed on the acceptance of gifts must be adhered to in keeping with the canonical norms of the Church. These funds must be separately accounted for to guarantee stated donor intent. Both principal additions and return on investment may be expended, as necessary, to meet any donor placed limits. Investment options may be at the discretion of the institution and/or donor.

Endowment funds (directed for a particular purpose as legally defined by document)

All donor restrictions placed on the acceptance of gifts must be met. These funds must be accounted for to guarantee stated donor intent. Where there is uncertainty, the governing board should consult knowledgeable investment and legal advisors in order to calculate appropriate expenditures and ensure compliance with the Uniform Prudent Management of Institutional Funds Act.

Liquidity Needs

Each institution should evaluate its short term operating needs, understanding that the investment of monies needed for short term cash flow will limit its ability to achieve a maximum or optimal return on its short term investments. It may be necessary to hold an above average portion of a portfolio in short term investments, allowing a lesser amount to be invested in stocks and bonds. A laddered maturity schedule using bonds or short term cash equivalents can be created to meet a desired level of liquidity over time.

Time Horizon

Operating needs of an institution may limit the period of time available to achieve an optimal return on investment objective of a portfolio. A shorter time horizon, by the nature of the market, will lessen the risk tolerance of the type of investments selected for the portfolio.

Investment Objectives**Return Objective**

To support the work of each Catholic institution and maximize the effective use of funds every effort must be made to earn a competitive return on investments. The return objective should be quantified in terms of an expected absolute average annual return (net of fees), e.g., three percent above inflation, or a relative return when compared against an appropriate index or benchmark such as the Barclay's Capital Aggregate Bond Index for publicly traded bonds or the S&P 500 or

Russell 1000 or 2000 for stocks. An institution's expectation of return objective should be defined by prioritizing the need for principal preservation, marketability, income consistent with market conditions, reasonable growth of principal or liquidity.

Risk Tolerance

Each archdiocesan institution should determine and manage its risk tolerance through a selected asset allocation plan which specifies the apportionment of funds within each of its portfolios to specific classes of assets, such as bonds, stocks and short term cash equivalents. This is usually measured both in terms of emotional reactions to the changes in market value and the financial implications of loss of principal. A reasonable level of diversification among desirable industries, companies and sectors should be balanced with a degree of practical limitation on the number of total holdings.

As fiduciaries, a pastor/administrator or board is ultimately accountable for the management and monitoring of investments. The measure of risk should be viewed from an institutional rather than a personal perspective. The objective is to identify that level of risk that a "prudent man" would deem appropriate for the entity and funds involved. Risk tolerance may also be affected by the purpose or end goal to which a given fund is directed.

Investment Alternatives

Bonds/Bond Mutual Funds/Bond Exchange-Traded Funds

Fixed income instruments should be held primarily to provide an overall portfolio balance of risk and a current income return relatively higher than that normally obtainable from common stocks. In accordance with these objectives, the fixed income portion of an institution portfolio may purchase:

1. U. S. Treasury and/or federal agency obligations
2. Investment grade bonds rated Baa/BBB or better
3. Government agency insured mortgage backed securities rated "A" or better
4. Commercial paper rated A-1/P-1
5. Bond mutual funds investing in the above
6. Bond exchange traded funds (ETFs)

Other than Treasury and federal agency instruments, no one bond may account for more than 5% of a portfolio and no industry may account for more than 25% of the total investment assets.

Individual "junk bonds" (non investment grade bonds) may not be purchased. Derivatives are prohibited, except in those mutual funds where a small allocation of their portfolio is authorized by the Securities and Exchange Commission (SEC) for these types of investments.

NOTE: after "small allocation" in next to last line, the words "(10% or less)" were omitted.

Stocks/Stock Mutual Funds/Stock Exchange-Traded Funds

Equities should be held when growth in market value and dividends is desired over a longer time horizon, as compared to the need to generate short term gain or current income. Stock investments require careful consideration of the fundamental economic and investment environments, an appraisal of individual company or stock mutual fund prospects and relative stock valuation levels which would pertain to these prospects. In accordance with these objectives, the equity portion of an institution portfolio may include any of the following alternatives:

1. Common stocks
2. Stock mutual funds
3. Stock exchange traded funds (ETFs)

No single equity holding may account for more than 5% of a portfolio and no industry may account for more than 25% of the total investment assets.

Short Term Cash Equivalents

In many instances, an institution's short term cash flow requirements are paramount to its ongoing operation. In accordance with this objective, the following investments may be part of the cash equivalent portion of an institution portfolio:

1. Certificates of Deposit purchased from FDIC insured institutions
2. Commercial Paper rated A-1 or P-1
3. Money market mutual funds rated A-1 or P-1

Specialty Asset Classes

In some cases, an institution may choose to invest in specialty asset classes, which may pose a higher year by year variability in return, but which the Finance Council / Investment Committee deems worthwhile, due to a long term performance horizon and / or a negligible short term cash flow requirement. These asset classes include:

1. Real estate
2. Emerging markets
3. Debt secured investments
4. Business equity ownership
5. Private equity
6. Hedge funds

No one of the specialty asset classes listed immediately above may account for more than 10% of total investment assets, and investments in these specialty asset classes in total may not exceed 20% of total investment assets.

These strategies are typically used to reduce risk without mitigating return over time.

Rebalance of Portfolio

The Finance Council / Investment Committee will ask the investment manager to periodically, but no less than once a year, re-balance each portfolio to its strategic allocation, taking into consideration required incoming and outgoing cash flow timing.

Socially Responsible Investing

USCCB Standards

The moral considerations related to the investment of Church funds may modify a portfolio's rate of return and risk policies. The Archdiocese of Omaha and its institutions adhere to the United States Conference of Catholic Bishops (USCCB) policy which calls for the exclusion of companies that directly participate in abortion or contraception, discriminate against women or minorities, primarily manufacture contraceptives or primarily develop or produce military weapons. In addition, funds should be invested in financial institutions that receive at least a satisfactory rating from federal regulatory agencies under the Community Reinvestment Act.

Finally, preference should be given to those companies which are following an affirmative action plan. It is understood that each institution must work with the practical constraints of the market and its available investment vehicles when determining an appropriate degree of portfolio allocation and diversification.

Review of Investment Policy

The Finance Council / Investment Committee should review the investment policy of the institution annually, to determine if its stated investment objectives are still relevant.

Conclusion

In all instances, the carefully planned investment of Church resources is an important responsibility and part of the stewardship program of the Archdiocese of Omaha. All involved must proceed prudently and appropriately, always acting in the best interests of the beneficiaries. Contributors and those receiving resulting benefit within the Archdiocese, deserve and should expect no less.

Any questions concerning this policy may be directed to the Archdiocesan Investment Committee through the Archdiocesan Finance Director.

ARCHDIOCESAN INVESTMENT ALTERNATIVES

Purpose

The following policy is to be utilized when making investment decisions regarding the cash resources of the organizations of the Archdiocese of Omaha.

Operating Funds (less than 60 days operating expenses)

Parish funds used to support operating programs must be properly invested in reputable local financial institutions to insure their safety and availability to meet daily cash flow requirements (see "Archdiocesan Investment" policy).

Operating Funds (over 60 days operating expenses)

Fifty percent of any parish funds, in excess of 60 days operating expenses (see "Archdiocesan Deposit and Loan" policy), must be forwarded to the Chancery for deposit into the Archdiocesan Deposit and Loan Fund. The remaining fifty percent must be prudently invested by the parish to meet its operating needs.

Other Funds

Unrestricted or donor restricted parish/institution funds may, at the option of the pastor/administrator, be forwarded to the Archdiocesan Deposit and Loan Fund, if these monies will not be required for a period of time toward their intended use(s) and such investing will not violate donor intent. These funds must be appropriately invested at all times.

Endowment Funds

Restricted endowment funds (established through an Archdiocesan-approved plan document) may be invested in several ways. Both permanent and non permanent investment options are available through the Omaha Archdiocesan Education Foundation (OAEF) or the Omaha Archdiocesan Parish Foundation (OAPF). The Foundation boards oversee all investment decisions within the Foundations.

The Archdiocesan sponsored "Mutual Fund Investment and Education Program," through Merrill Lynch, will accept deposits for those agencies which desire more flexibility in rates of return, risk tolerances and portfolio allocation alternatives in selecting a standard investment model or in creating one to meet special needs.

Endowment funds may also be invested in accounts at other financial institutions.

Conclusion

The above investment information has been provided to assist the agencies of the Archdiocese of Omaha, to manage Church temporal funds in accordance with Canon Law (Canon 1284.2.6).

Any questions should be directed to the Archdiocesan Finance Director

ARCHDIOCESAN ENDOWMENT DISTRIBUTION GUIDELINES

Introduction

As a result of the volatile nature of investment markets in recent years, institutions of the Archdiocese have directed questions to the Chancery staff and Archdiocesan consultants and attorneys regarding their ability to make distributions from endowment funds to meet annual education and ministry budgetary requirements. There has been particular concern about maintaining the integrity of these funds in light of current market conditions.

The Official and Approved Educational Endowment Trust Fund documents used by educational institutions within the Archdiocese restrict the distribution to earnings of the endowment trust and prohibit the invasion of principal.

Donor contributions may contain more stringent restrictions, in which case donor intent controls.

Standard of Conduct Under Nebraska Law

Nebraska law allows, absent specific restrictions from the donor, institutions to take seven factors into account when making spending decisions, including: the duration and preservation of the fund, the purposes of the institution and fund, general economic conditions, the effects of inflation and deflation, the expected total return from income and appreciation, other resources of the institution, and the investment policy of the institution.

An institution may distribute the annual income generated from endowment funds -- interest and dividends, without first offsetting any annual or accumulated realized or unrealized investment losses which may have reduced the amount of the fund corpus. The law does not require the endowment funds to retain earnings in order to make up for negative market conditions.

Annual Distribution Rate

It is recommended that the primary basis for distributions will be the "total return" (i.e. the income earned plus or minus the change in market value) of the endowment's investment portfolio for each fiscal year. To smooth year-to-year fluctuations in market value, it is recommended that the endowments use a five year moving average of the portfolio's total return for determining the distribution rate each year.

Fiduciary Responsibility

In all instances, endowment fund distribution decisions must be approved by the appropriate board charged with that fiduciary responsibility, as defined within the endowment trust document as approved by the Archdiocese of Omaha.

Questions

Any questions or concerns regarding the oversight and protection of church investments should be brought to the attention of the Archdiocesan Finance Director or appropriate parish and or Archdiocesan investment professional or legal consultant.

USE OF LEGAL SERVICES

Purpose

Each parish/institution within the Archdiocese must be prepared to obtain appropriate services of an attorney in those situations when civil law, criminal law, Federal, state or local governmental laws and regulations or diocesan policies require it (Canons 1284.2.2 and 1284.2.3).

Legal Circumstances

The use of an attorney should be considered when conducting parish/institution business within the following areas:

Corporate Structure / Board Resolutions / Endowments / Plan Documents

Tax Exemption / Taxation Issues

Donations / Estates

Gift Receipt, Purchase, Sale, Lease, Rental or Mortgage of Church Real Estate

Financings (Bond Issues or Loans through traditional banking institutions)

Contract Review / Material Business Transactions

Employee Personnel Issues - Hiring, Discipline, Termination *, Non-Renewal of Employment Contract & Benefits Administration

Liability Situations / Law Suits

Impartial / Unbiased Representation

Pastor/administrators should seek law firms which will properly represent their interests. Attorneys retained by outside parties conducting business with any parish/institution are NOT to be used by the parish/institution, regardless of cost or other factors. Offers of "pro bono" legal services, offered by local law firms, should always be carefully examined before they are accepted.

Chancery Notification *

In accord with Canon 1288, archdiocesan pastors/administrators are to neither initiate nor contest a law suit in civil court unless written permission is obtain by the Archbishop.

Catholic Mutual Notification *

Liability coverage provided through Catholic Mutual requires that an attorney be contacted prior to the termination of an employee of an institution of the Archdiocese of Omaha.

Conclusion

Each Archdiocesan parish/institution may retain its own local law firm or contact the Chancery to obtain representation or a referral. Each fiscal year, the Archbishop will review the viability of continuing to provide parishes with a certain level of legal counsel through the Archdiocesan law firm of Hotz, Weaver, Flood and Breitzkreutz, on a retainer basis.

Questions on the above policy should be directed to the Archdiocesan Finance Director

FIDUCIARY CAPACITY

Purpose

To provide guidance when a priest/organization administrator is requested to serve in a fiduciary capacity or convey such capacity.

Assuming Agency or Fiduciary Capacity

A priest/organization administrator may be requested to serve as an agent for another individual. The instrument conferring this authority may be granted in a “power of attorney” and by its authorization one can perform specific acts or kinds of acts on behalf of the grantor.

Other examples of agency are: medical decisions if the grantor can no longer exercise his/her own discretion; personal representative in financial or estate matters; guardian or conservator for a person or for matters directly affecting the person.

Outside corporate board participation (officer of a non-Archdiocesan organization, with separate corporate identification number) is to be provided to the Chancellor in writing.

Conflicts of Interest/Liability

The legal document granting the authorization to exercise agency for another delineates the kind and scope of powers to be used. If the priest/organization administrator cannot fulfill the expectations for whatever reasons he must declare his ineligibility and not accept the responsibility.

The priest/organization administrator may not accept a role of agency when it will create a conflict of interest or an impropriety between himself as an agent and the party seeking his agency or create an entanglement between the role or the exercise of agency and his appointed responsibility in the Archdiocese.

In all matters of requested agency Canons 285.4 and 286 are to be observed. In regard to permanent deacons, Canon 288 is to be followed.

Conveying Agency or Fiduciary Capacity

“Powers of attorney” which impact control or title of church resources, may not be granted to parties outside the approved parish/school corporate structure without the written permission of the Archbishop of Omaha.

Conclusion

Consultation with the Chancery is recommended prior to acceptance or granting of responsibilities for agency or fiduciary activity.

ALCOHOL USE AND SALE

Purpose

Any event, sponsored in the name of an Archdiocesan parish/institution, where alcohol is served or sold, must comply with all aspects of the Nebraska Liquor Control Act as well as local governmental requirements.

Licenses

The parish/institution is be responsible for the licensed premises and for the control, sale and dispensing of alcohol permitted by the license. Only the licensee may receive the proceeds resulting from the sale or dispensing of alcoholic liquor except otherwise provided by the provisions of State law.

The following license must be obtained prior to an event where alcohol will be present:

Special Designated License (SDL): One-day license for nonprofit type organizations which are tax exempt by the IRS, or a retail licensee which wishes to hold an event off his licensed premises. (Allowed 6 days per calendar year, unless the licensee also holds a catering license, then unlimited days are allowed).

Exemptions

There are no exemptions under State of Nebraska/local law in which a license is not required for the consumption, distribution, sale or manufacturing of alcohol. A non-profit organization such as a Catholic parish or school may not obtain a catering license.

If a caterer is hired for an event where alcohol is served, the caterer must possess and provide a valid license prior to the distribution of alcohol. If one can not be provided, alcohol must not be present during the event.

The State of Nebraska will permit a parish or other religious institution to purchase sacramental wine from a wholesaler without having to pay a gallonage or excise tax that would normally be paid through a retail outlet. This permit is not required by Nebraska State law to purchase wine at either a retail or wholesale location. A sacramental wine permit may be obtained from the Nebraska Liquor Control Commission website: www.lcc.ne.gov

Penalties

Willful failure or refusal by a licensee to comply with a specific written order of the Nebraska Liquor Control Act shall be grounds for suspension, cancellation or revocation of license after formal public hearing. Consequences include, but are not limited too, fines and/or imprisonment.

Conclusion

Additional information regarding the Nebraska Liquor Control Act may be found at <http://www.lcc.ne.gov/>. Any questions concerning the use and sale of alcoholic beverages at events should be forwarded to the parish's/institution's attorney.

INFORMATION REQUEST / RELEASE GUIDELINES

An institution of the Archdiocese of Omaha may be asked to release active or archival information collected as a result of sacramental, ministry or administrative functions. These guidelines should be considered when such requests are being evaluated.

What types of information are confidential by specific statute or case law?

Personnel (Employees and Volunteers) Files
Payroll / Payroll Tax Data
Health / Benefit Plans
School / Student Records
Burial / Cemetery Related Data
Counseling Activities

By their nature and under the common expectation of all parties involved, these records remain confidential under the law, with the exception of court ordered directions to release such information or the receipt of a written request from the subject of the information to do so.

What types of information are NOT specifically considered confidential under law?

Personal / Demographic / Genealogical Information
Sacramental Records
Donor / Estate Files

While there is no statute or case law in the State of Nebraska which specifically addresses whether such records and information are or are not confidential, there are privacy laws that can be applied. Nebraska statutes provide for a cause of action when a corporation casts a person in a false light, knowingly using false information. Information must be truthful and provided in good faith.

An “express contract” to not release information may exist when there is an understanding between the subject of the information and an archdiocesan institution, that such information remain confidential. An “implied contract” could exist between an individual and an archdiocesan entity, in which the institution is under an implied duty not to release personal information collected while performing its customary functions, such as contribution solicitation.

What is the impact on the operation of an archdiocesan institution?

1. Follow all legal restrictions regarding the release of records and information.
2. Establish criteria under which information not protected by Federal or state statute, Canon law or common practice may be released and educate staff to have consistency in the procedure.

3. Do not disclose data in which there has been an express agreement that it will remain confidential.
4. Only release information about a person, when that person has provided a written consent or as required by subpoena or law.
5. The pastor or administrator should approve the release of information in order to have consistency in the procedure.
6. When the subject to information has died, release “non sensitive information” when specific procedure has been established, such as maintaining a log, checking formal identification and obtaining a signature.
7. Take a minimalist approach – provide basic information requested.
8. Do not release personal identifier information such as social security numbers.

Act reasonably

An archdiocesan institution is NOT generally obligated to release information and certainly not when the identification of the requester or how it will be used is questionable. When in doubt, it is advisable to contact the Chancery or legal counsel before responding.



Archdiocese
of Omaha

ONE CHURCH
ENCOUNTERING JESUS
EQUIPPING DISCIPLES
LIVING MERCY

Archdiocesan Capital Project/Real Estate Transaction Policy

Capital Project Guidelines

Overview (for larger, complex projects)

- Please identify the parish/school project. Do your parishioners recognize the need, and will they support the cause?
- What is the timeline to complete the project? Consider fundraising, design and construction.
- Qualified architects are important to lead the project. Once you have selected your architect, please forward the draft AIA contract to the Archdiocesan Finance Office for review.
- The architect you select will provide a schematic design with initial cost estimates and project schedule. Please forward this information to the Archdiocesan Finance Office who will determine if it should be reviewed by the Archdiocesan Building Committee.
- Projects above \$2 million require the Archbishop's consultation. You will also need his consent to undertake a feasibility study. The feasibility study will help you evaluate your parish's willingness to financially support the project. Please invite the Archdiocesan Finance Office to participate in the beginning stages of the process.
- If the feasibility study comes back favorable, please contact the Finance Office about your capital campaign plans and architectural designs. If you incur debt, the parish/school Finance Committee should create a detailed *pro forma* outlining how the project will be financed and repaid.
- After the capital campaign plans and architectural designs are complete, you should then price the project and compare it to the *pro forma*. The Archdiocesan Finance Office can assist with this process. Please forward completed plans to the Archdiocesan Finance Office in the event the Archdiocesan Building Committee wants to follow-up with a review. If the pastor and parish/school Finance Committee agree to move the project forward, please complete the Parish/School Capital Project Request Form (attached) and forward it and any bids to the Archdiocesan Finance Office.
- Projects above \$250,000 will be forwarded by the Archdiocesan Finance Office to the Archdiocesan Finance Council for consent.
- Projects with loan amounts over \$3.5 million will need consent from the Archdiocesan College of Consultors and the Holy See. The Archdiocesan Finance Office will guide this process.
- Upon receiving the necessary consent, the parish/school may begin the project.

Capital Projects below \$75,000

Projects below \$75,000 do not require consent from the Archbishop, UNLESS financing is necessary for the project's completion. For projects below \$75,000, please follow the guidelines below:

- For projects above \$25,000, please collaborate with the parish/school Finance Committee.
- For contracts or equipment purchases above \$10,000, the parish/school should obtain at least two bids (three is preferred).
- HVAC, electrical and plumbing projects over \$50,000 should be reviewed by an independent mechanical and/or electrical engineer.
- Major mechanical, electrical or plumbing (MEP) projects should be supervised and contracted to licensed contractors.
- Please comply with the building code and life safety requirements of the responsible jurisdiction.
- AIA or other contracts from the contractor should be reviewed by Archdiocesan legal counsel.
- Please contact Catholic Mutual for insurance requirements.

Capital Projects between \$75,000 and \$250,000

Projects between \$75,000-\$250,000 require consent from the Archbishop and possibly the Archdiocesan Building Committee (including insurance replacement projects). Projects in this range are submitted to the Archdiocesan Finance Office and require completion of the **Parish/School Capital Project Request Form** (page 6). Please follow the guidelines below:

- Please collaborate with the parish/school Finance Committee for projects between \$75,000-\$250,000.
- For any contract or purchase of equipment over \$10,000, the parish/school should obtain at least two bids (three is preferred). Please forward bids to the Archdiocesan Finance Office.
- Major HVAC, electrical and plumbing projects should be reviewed by an independent mechanical and/or electrical engineer.
- Major mechanical, electrical and plumbing (MEP) projects should be supervised and contracted to licensed contractors.
- Please comply with the building code and life safety requirements of the responsible jurisdiction.
- The **Project Request Form** (page 6) should be completed with input from the parish/school Finance Committee and submitted to the Archdiocesan Finance Office.
- AIA or other contracts from contractors should be reviewed by Archdiocesan legal counsel.
- Please contact Catholic Mutual should for insurance requirements.

Capital Projects between \$250,000 and \$3,500,000

Projects (including insurance replacement projects) between \$250,000-\$3,500,000 require consent from the Archbishop, the Archdiocesan Finance Council, and possibly the Archdiocesan Building Committee (Canon 1292). You should submit the project to the Archdiocesan Finance Office. Please follow the guidelines below:

- For projects between \$250,000-\$3,500,000, please collaborate with the parish/school Finance Committee.
- For any contract or purchase of equipment above \$10,000, the parish/school should obtain at least two bids (three is preferred). Please forward bids to the Archdiocesan Finance Office).
- Major HVAC, electrical and plumbing projects should be reviewed by an independent mechanical and/or electrical engineer.
- Major mechanical, electrical and plumbing (MEP) projects should be supervised and contracted to licensed contractors.
- Please comply with the building code and life safety requirements of the responsible jurisdiction.
- The Parish/School Project Request Form (first page of this document) should be completed with input from the parish/school Finance Committee and submitted to the Archdiocesan Finance Office.
- Expenses above \$75,000, e.g., architectural plans or capital campaign feasibility studies, require Archdiocesan consent prior to seeking consent for the entire project.
- Please submit initial schematic architectural drawings to the Archdiocesan Finance Office before beginning the design (first round). This is important in case the Archdiocesan Building Committee decide to review the project.
- The parish/school may be asked to create a financial *pro forma* that outlines how the parish/school will manage additional debt.
- Contracts for the architect, fund-raising company, and general contractor are reviewed by the Archdiocesan Finance Office and Archdiocesan Legal Counsel.
- Please submit financing information (Deposit and Loan or other lending institution) to the Archdiocesan Finance Office.
- 70% of design detail in architectural plans are required for the second round of Building Committee review and prior to receiving consent for the project.
- Please contact Catholic Mutual for insurance requirements.

Capital Projects Over \$3,500,000 Loan Amount

Projects with a loan amount exceeding \$3,500,000 require consent from the College of Consultors and the Archdiocesan Finance Council using the above guidelines. If consent is granted (normally a two-week turnaround), the project is submitted to the Holy See for final consent (Canon 1292).

Real Estate Purchases/Sales

Please contact the Archdiocesan Finance Office prior to selling any vacant land near or contiguous to the parish grounds.

When purchasing or selling real estate, the following guidelines apply:

A parish may buy/sell property for a price less than \$75,000. Purchases/sales between \$75,000 - \$250,000 require the consent from the Archbishop. Purchases/sales between \$250,000 - \$3,500,000 require consent from the Archdiocesan Finance Council. Purchases/sales above \$3,500,000 require the consents from the Archdiocesan Finance Council, College of Consultors and the Holy See. Archdiocesan legal counsel will review all documents pertaining to the purchase/sale and closing.

Archdiocesan Building Committee

The Archdiocesan Building Committee consists of architects, engineers and the Chief Financial Officer of the Archdiocese. The Archdiocesan Finance Office determines which projects are reviewed by the Committee. The Committee usually reviews facilities open to the public, i.e., parish center, school, addition to a school, church construction or church addition. The Committee will also review major renovations to church or school buildings. Parking lot or roof replacements are not reviewed by the Committee.

Parish/School Capital Project Request Form

(Projects in Excess of \$75,000 and/or will be Financed)

Parishes or independent Archdiocesan Catholic schools should complete this form for any project (construction, IT or equipment purchase) that exceeds \$75,000. "Project" here means the total parts to complete, not several smaller separate projects. For example, separate bids for carpeting, plumbing and electrical for the same area would be considered a project. For larger, complex projects, see page 1 for the recommended process.

Parish/School: _____ City _____

Pastor/School Officer: _____

Building Committee Members:

Project Description/Need:

Project Funding Requirements

(1 <= 2 + 3 + 4)

Total Cost of the Project: 1 \$ _____

Cash on hand utilized for Project: 2 \$ _____

Pledges Scheduled to be received during construction: 3 \$ _____

Debt/Financing needed to complete Project: 4 \$ _____

Remaining pledges for debt reduction: \$ _____

Desired Term/Amortization of Loan: _____

Interest Rate of Loan (if financed outside of Deposit and Loan): _____

Note: Projects should have a minimum 40% of costs in cash or pledges before beginning

Project Timeline:

Fundraising (if necessary): _____

Construction: _____

Summary of process and participants engaged in developing estimates and financial analysis:

TAX CONSIDERATIONS FOR ASSIGNED ARCHDIOCESAN PRIESTS

Purpose

To present priest related tax issues which fall under Federal and Nebraska state tax requirements.

Taxable Income - Reported by Institution

The following types of income are TAXABLE to a priest and MUST BE REPORTED on a Form W-2, when PAID AND/OR COLLECTED THROUGH THE PARISH BOOKS, including the generation and payment of interest income on such funds:*

Salary (base salary and ordination increments - see "Compensation/Benefit Schedule for Assigned Archdiocesan Priests" policy)

Allowances (paid by parish without substantiating documentation)

Sacramental or Celebration Fees** /Mass Stipends*** (assigned or residence priests)

Taxable Income - Reported by Priest

The following types of income are TAXABLE to a priest, but ARE NOT REPORTED on his Form W-2, when DIRECTLY ACCEPTED BY HIM AS PART OF HIS MONTHLY SALARY** OR PAID BY THE PARISH THROUGH A SEPARATE "PASS-THROUGH" PARISH BOOKKEEPING PROCESS:*** The priest is responsible for properly reporting these earnings as taxable.*

Sacramental or Celebration Fees**/Mass Stipends*** (assigned or in residence priests)

Nontaxable Income

The following types of income are NOT TAXABLE to a priest and ARE NOT REPORTED on his Form W-2, when PAID THROUGH THE PARISH BOOKS:*

Health Insurance (paid to archdiocesan group health plan)

Priest Retirement Fund (paid to archdiocesan priest pension plan)

Automobile Mileage Reimbursement (substantiating documentation submitted to parish)

Reimbursed Business Expenses (substantiating documentation submitted to parish)

Social Security Taxes (F.I.C.A AND Medicare)

Room and Board is TAXABLE to a priest for Social Security purposes, but IS NOT REPORTED on his W-2 by the parish.* An archdiocesan institution is NOT to withhold from or pay F.I.C.A. on behalf of a priest.

Mass Supply Services

When a priest (not assigned or in residence at your institution) provides Mass "supply" service which amount to \$600.00 or more within a calendar year, a Form 1099-MISC may need to be issued. An "Instructions for Forms 1099" booklet is available from the I.R.S., which will explain how to complete or correct a Form 1099. This booklet should be reviewed to determine which of your other vendors may also require a Form 1099 be issued.

Undocumented Income / Gifts

Each priest must account for any taxable income earned FOR SERVICES RENDERED within a given calendar year, even in those instances in which documentation such as a Form W-2 or Form 1099 are unavailable. Gifts are NOT considered as taxable income by the I.R.S. However, taxable compensation is based on the motivation to perform a service. If a gift is the result of service performed, it is considered as payment for TAXABLE services rendered.

Tax Preparers

Priests should be sure when selecting a tax preparer that he or she is aware of the "dual" status of a priest as both an employee and an independent contractor (for social security purposes).

Conclusion

Questions on the above information should be directed to your institution's tax consultant or to the Archdiocesan Finance Office.

*Source: 2011 edition of "Income Taxes for Priests Only" by Wayne Martin LeNell, C.P.A., Ph.D., National Federation of Priests' Councils.

**When a priest has declared he will receive the lower of the two monthly salary rates from the parish, he accepts stole fees as part of his compensation. When he has declared he will receive the higher monthly salary rate from the parish the stole fees become the property of the parish and should be recorded as revenue on the parish books.

***When a parish acts as a "pass-through" agent in dispersing mass stipends these earnings are NOT to be recorded as revenue on the parish books.

SEMINARIAN TAX CONSIDERATIONS

Purpose

To present the tax issues of which seminarians and the parishes of the Archdiocese of Omaha must be aware in order to meet Federal and Nebraska state tax requirements.

Reportable Income

Each parish is to keep track of all personal expenses paid to, or on behalf of, a seminarian, which accumulate to \$600.00 or more in a calendar year. Each seminarian should be issued a Federal Form 1099 by January 31st of the following year.

Room and Board

Each year, a parish must issue a statement of "fair market value" for room and board provided to a seminarian. Annually, a monthly rate will be established by the Archbishop, which is to be used in the calculation of this statement. Room and board provided for 15 or more days in a calendar month should be calculated at the full monthly rate.

Conclusion

Each seminarian is responsible to handle the Federal, state and F.I.C.A tax liability which may occur as a result of the receipt of a Form 1099 and a "fair market value" statement for room and board. Questions should be referred to the Archdiocesan Finance Office.

YEAR END TAX REPORTING

Purpose

To clarify those Federal and State tax issues and forms with which bookkeepers of the institutions of the Archdiocese of Omaha must be familiar, to correctly report employee wages, amounts withheld and taxes paid each calendar year.

Federal Form W-2

Each priest and lay employee (and religious in certain circumstances*) is to be issued a Form W-2 by January 31, following a calendar year.

Gross wages reported on all Form W-2s issued by your institution must equal the gross wages reported on Federal Form 941 and Nebraska Form 941N filed for the calendar year. (While NO social security taxes are to be withheld from or paid for a priest, his gross wages for each calendar quarter MUST be included on Federal Form 941, line 2 on a quarterly basis. These wages would be excluded from lines 6 and 7, when reporting social security and Medicare wages respectively. On Nebraska Form 941N, a priest's gross wages must be included on line 1).

Federal Circular E

When Form W-2s are issued with incorrect information. These can be corrected by following the instructions provided in Federal Circular E (Publication 15) available from your local Internal Revenue Service office. This Circular will also define how to properly complete Federal Forms W-2, W-3 and 941. Always insure your W-2 and W-3 reconcile to your institution's final Form 941 for the calendar year, before mailing them.

Federal Circular EN

Nebraska Circular EN can be consulted for completing Nebraska Forms W-3N and 941N. Forms W-2 and W-3 must reconcile to the final Form 941N for the calendar year.

Federal Forms 1099 MISC AND 1096

All 1099 MISC Forms issued to individuals for paid qualified services during a calendar year must reconcile to your Form 1096 prior to being mailed. See Federal Circular E for a definition of such qualified services.

Employees Performing Services Outside Normal Work Hours. Many exempt employees perform services outside normal work hours. The performance of such services is an understood consequence of their positions and does not mean that they are eligible for additional compensation for this time or that they are to be paid for such time as an independent contractor.

Employees who receive W-2 income will not receive 1099 income (as an independent contractor) unless there is a specifically written independent contractor agreement describing such outside services, and signed by the Parish. Failure to do so may subject the Parish to unintended insurance risk, workers compensation liability, employment tax liability and employee benefit ramifications.

Volunteers. If a person agrees to volunteer time for a Parish or school, he or she will not receive anything of value for his or her services, except for the reimbursement of documented business related expenses. This includes any compensation for their devoted time, in the form of stipends, salary, tips, or otherwise. To do so, may subject the Parish to unintended insurance risk, workers' compensation liability, employment tax liability, and employee benefit ramifications.

Conclusion

Failure to file the above forms within the prescribed deadlines may subject the parish or institution to interest and penalties on amounts not properly reported. Questions should be directed to the Archdiocesan Finance Office.

*If a religious chooses to be paid as a lay employee, a Form W-2 will be provided directly to the individual rather than his/her community.

UNRELATED BUSINESS INCOME TAX

Purpose

Congress imposes a tax on unrelated business taxable income of certain organizations, including churches and schools.

Federal Form 990T:

The Internal Revenue Service may mail to your organization a Form 990T - Exempt Organizations Business Income Tax Return - for use in reporting any unrelated business taxable income. Form 990T is to be completed and filed if the organization has gross receipts of \$1,000 or more in unrelated business income during a calendar year. The most common situation in which a church incurs unrelated business income is if it engages in selling advertising in its church bulletin and collects the receipts rather than contracting with a publisher which, in turn, solicits advertising and collects advertising receipts and pays the church a license fee.

It is the opinion of the legal counsel for the Archdiocese that your entity probably is not liable for the above-mentioned tax and that no such return (Form 990T) should be filed by your parish, school or other organization. This opinion is based on the fact that the supplementary fund-raising programs which might be considered in the "usual course of business" of our entities are excluded from the term "unrelated trade or business" and, therefore, are not taxable (see exhibit 1).

Although your parish, school, or organization likely does not have any tax liability for any unrelated business income, the Internal Revenue Service has the authority to examine your records to determine whether or not a tax liability exists. For this reason, separate records of receipts and expenditures of all supplementary fund-raising programs, such as those listed in the income source list, should be maintained. This procedure eliminates examination of any other records by the Internal Revenue Service.

In any event, no church or school records are subject to examination under the Act by the Internal Revenue Service unless authorized by one of its regional commissioners or higher officials. Therefore, upon being contacted by the Internal Revenue Service relative to the matters discussed herein and before furnishing any records, the Chancery Finance Office should be advised.

Revenue Not Subject to Tax

In addition to church support, tuition, gifts and bequests, it is believed that the following items make up most of the sources of revenue for the entities of the Archdiocese of Omaha, but are not subject to tax as unrelated business income:

ARCHDIOCESE OF OMAHA TAXES

1. BINGO: The term "unrelated trade or business" does not include any trade or business which consists of conducting certain bingo games. Games other than bingo, such as "instant bingo" and other pull-tab games are not included within this exception.
2. FESTIVALS, BAZAARS, DANCES, AND OTHER SUCH FUND-RAISING ACTIVITIES: Revenue from festivals, bazaars, dances, and other such fund-raising activities would not be taxable where all the work is voluntary and no form of compensation is involved. Furthermore, because festivals, bazaars, dances and other such fund-raising activities are usually annual affairs, it is believed that they would not be considered regularly carried-on unrelated trades or businesses. Problems could arise where work performed by parishioners in connection with such fund-raising activity is in lieu of church support or tuition. Be certain there is no form of compensation paid to the volunteer, including free drinks or food.
3. ADVERTISING: It is believed that the sales of advertising in a yearbook or annual are not unrelated taxable income because this activity is not regularly carried on for more than a few months in a year. A problem would arise where advertising was solicited for a weekly bulletin or a yearbook throughout the year as opposed to a situation where the parish contracts with a commercial firm which, in turn, sells such advertising. If your parish or organization is handling the publishing itself and is itself in charge of soliciting advertising and obtaining receipts, you may have unrelated business income and you should consult the Chancery Finance Office.
4. DIVIDENDS, INTEREST, ANNUITIES, ROYALTIES, CAPITAL GAINS, AND RENTS: These items are not considered unrelated business income unless any of the property from which these types of revenue are realized was debt-financed (i.e., subject to a mortgage). An organization which leaves debt-financed property should examine the unrelated business income consequences of the transaction.
5. SCRIP: In recent years, some Catholic organizations and parishes have participated in SCRIP programs which may generate unrelated business income. A SCRIP program is one in which a parish or organization purchases certificates from participating retailers for a discount, and then resells the certificates to parishioners or members for face value, keeping the difference as profit for the parish organization. Provided that the sale of such certificates (equivalent to or greater than 85% of gross receipts) is carried on by uncompensated individuals, the income generated from such SCRIP programs is not unrelated business income. Parishes or other organizations participating in SCRIP programs should indicate in writing, through the Church bulletin, handout, or on the certificates themselves, that the purchaser of any such certificate is not entitled to a charitable deduction.

ARCHDIOCESE OF OMAHA TAXES

6. TECHNOLOGY-RELATED: With the continuing advancement of technology, there are and will be new and creative ways for non-profits to raise funds. Rents received by a parish from a lease of its steeple to a cellular phone company are not considered unrelated business income unless the property from which these types of revenue are realized is debt-financed. If a parish comes to an agreement and markets a for-profit business to its parishioners and receives commissions when parishioners use or purchase goods/services from the business (i.e. web-based transactions), the income generated will be considered unrelated business income and the Chancery Finance Office should be consulted. The above examples are not all-inclusive and IRS Publication 598 "Tax on Unrelated Business Income of Exempt Organizations" should be used as a reference tool.

Conclusion

The present policy of the Archdiocese of Omaha, with regard to Unrelated Business Income, is summarized as follows:

1. No Internal Revenue Service Form 990T - Exempt Organization Business Income Tax Return - will be filed without the approval of the Chancery Finance Office.
2. The Chancery Finance Office is to be advised of any sources of income to a parish, its school, or other organization if the sources are not set forth and discussed in the attached list of income sources (exhibit 1).
3. Separate records of receipts and expenditures are to be maintained regarding different sources of income.
4. Neither information nor records are to be furnished to the Internal Revenue Service without the permission of the Chancery Finance Office.

PARISH CONTRIBUTIONS AS TUITION

Purpose

These guidelines are provided to pastors and school administrators to assist in the formulation and communication of policies in compliance with charitable deduction laws and Internal Revenue Service Regulations (Section 170 - Internal Revenue Code, and IRS Rule 83-104, "Deductibility of Payments to Organizations Operating Schools").

Non-deductibility of Tuition

A parish that operates a school may choose to charge tuition to families for the admission, enrollment and education of students in that school or choose to operate the school solely from general parish funds or establish a specific tuition/fee policy in addition to an operating subsidy from general parish funds. **Contributions to a parish may be claimed by the donor as charitable deductions but tuition payments to a parish school for the admission, enrollment and education of a child are not deductible as charitable contributions.**

A parish may not ask for, require or receive and a donor may not give school tuition payments as charitable contributions. The Internal Revenue Service (according to Section 170 - Internal Revenue Code and IRS Rule 83-104) may question the deductibility of contributions to parishes that, in effect, are tuition payments or fees for the cost of operating and maintaining a parish school. When educational services are promised, provided or expected under an explicit or implied procedure for payments, then the monies that change hands are not charitable contributions. **Any parish policy or practice that solicits or permits school tuition payments as contributions could result in the disallowance of said contributions as charitable deductions, the assessment of interest and penalties against the taxpayer, and sanctions against the parish.**

Position of Catholic Church

The position of the Catholic Church in general, and specifically the Archdiocese of Omaha, is that the Church has the right to use parish contributions in accord with its own religious, educational and charitable objectives and discretion. Such expenditures remain at all times subject to church control. The maintenance of parish schools and an educational system is an apostolate of the Catholic Church and the Archdiocese. A parish, as an institution, may subsidize, wholly or in part, its attendance at elementary or secondary Catholic schools or may subsidize such school institutions in cooperation with other parishes without regard to the charitable contribution issue.

School guidelines

When a parish chooses to operate a school, the following rules should be followed so as to safeguard against an IRS challenge to the deductibility of contributions from families with children in the parish school:

1. The parish should not have express or implied policies or practices that specify the amount of contribution into the Sunday collection expected from families with children in the school as payment for the tuition.
2. The decision to admit or keep a child in the parish school cannot be based upon, and the child's continuation in the school cannot depend upon, the child's family meeting any express or implied policy or practice for financial contributions to the parish.
3. The parish should identify clearly, in the annual budget process and in materials distributed regarding the school, the expense incurred in the educational operation of its school as well as the tuition/fee responsibility of parents and the subsidy, if any, that the parish will accept in order that the educational operation can serve the students who seek admittance.

Also, under no circumstances shall a parish be used as a channel or intermediary for school tuition to a school that is not a parish school (e.g. archdiocesan or private Catholic high school in the archdiocese).

Conclusion

All pastors or school administrators are to contact the Chancery Finance Office immediately in the event of an IRS inquiry or challenge concerning charitable contribution deductibility or a request to examine parish financial records.

GAMING ACTIVITY

Purpose

To inform each parish of the Archdiocese of Omaha about the legal requirements that must be followed per the State of Nebraska and Archdiocesan policy when conducting bingo, pickles, raffles, and other games of chance.

Bingo

Special Events Permit Bingo

A parish may obtain two Special Events Permits from the Nebraska Department of Revenue, to conduct bingo, not to exceed a total of 14 days in duration. Bingo cannot be the primary function of the special event. These small stakes games are exempt from the licensing, reporting and tax requirements which apply to licensed ongoing bingo games.

Persons under 18 years of age MAY play or participate in special event bingo games if: (1) no alcoholic beverages are served and (2) no prize or prizes exceeding \$25.00 in value per game are awarded.

Licensed Bingo

Ongoing bingo operations require a current license from the Nebraska Department of Revenue. The parish is required to submit a 3% state tax on the gross receipts (excluding receipts covered by Special Events Permits) for each calendar quarter and must submit an annual accounting of the operation to the Nebraska Department of Revenue. Persons under 18 years of age cannot play or participate in these ongoing bingo operations.

Pickle Card Lotteries

The sale of pickle cards (pull-tab prizes) is a lottery and requires a current license from the Nebraska Department of Revenue. The parish is required to exclude anyone under 18 years of age from playing or selling pickle cards. The parish must submit an annual accounting to the Nebraska Department of Revenue. If pickle cards are sold through an operator for the parish then the parish must submit accounting reports each calendar quarter to the Nebraska Department of Revenue. As tax exempt organizations, archdiocesan parishes and schools are not subject to pickle cards sales tax.

Lotteries and Raffles

Small Lotteries and Raffles

A parish may conduct ONE lottery per calendar month with gross proceeds not to exceed \$1,000.00, without obtaining a license or special permit from the Nebraska Department of Revenue. A parish may conduct ONE OR MORE raffles per calendar month, with total gross proceeds for all raffles within the month not to exceed \$5,000.00, without obtaining a license or special permit.

Lotteries and Raffles/Special Permits

A parish exceeding the gross proceeds limits described above must obtain either a license or a special permit from the Nebraska Department of Revenue. For a lottery or raffle which exceeds the limits described above for small lotteries and raffles, a parish will need to obtain a license and comply with numerous requirements pertaining to the use of the gross proceeds. The parish is required to submit a 2% state tax on the gross receipts for each calendar quarter and must submit an annual accounting to the Nebraska Department of Revenue. Persons under eighteen years of age are **EXCLUDED** from purchasing, selling or distributing tickets.

Federal law prohibits raffle tickets being mailed either within a state or between states.

Special Permit Lotteries and Raffles

A parish which is licensed to conduct a lottery or a raffle may apply for a special permit which may be obtained once per calendar year (valid for three calendar months) in order to conduct ONE lottery, ONE raffle or BOTH over the small lottery and raffle limits stated above. This permit allows the parish to avoid certain requirements regarding the use of the gross proceeds. Persons under the age of eighteen are **PERMITTED** to purchase tickets, or, on an unpaid basis, sell or distribute tickets. A license and special permit may be applied for at the same time.

For additional information regarding lotteries and raffles, see the Nebraska Charitable Gaming website at www.revenue.state.ne.us/gaming

Individual Responsibility for Compliance with Gaming Laws

The parish is the responsible organization in obtaining and maintaining the required permit or license when gaming activity is planned. Any individual who knowingly violates the requirements of Nebraska law may be prosecuted and held criminally responsible.

Nebraska state law **does not allow** any form of casino gaming: poker, black jack, roulette, etc.

Separate Bank Accounts

The parish is responsible for establishing and maintaining a separate bank account for each gaming activity. The Nebraska Department of Revenue investigates discrepancies between deposits into gaming accounts and the quarterly or yearly reports required of each parish.

Tax Considerations Involved in Gaming Activity

The parish or parish organization may be required to report winnings and/or withhold taxes. The type of game and the amount of the winnings determines whether reporting and/or regular or backup withholding is required.

Bingo

Reportable: Gross cash winnings of \$1,200 (not reduced by amount of wager) or more, requires the completion of Federal Form W-2G.

Withholding: If the winner provides an accurate social security number, no withholding is necessary

Backup Withholding: If winner does not provide his/her social security number, the payer must withhold a flat rate of 28% of the total amount of the winnings (less wager at payee discretion) for federal income tax purposes, as well as the flat rate of 5% for Nebraska income tax.

Pickle Tickets (Pull-tab prizes), Lotteries and Raffles

Reportable: Gross cash winnings of \$600 (not reduced by wager) or more, requires the completion and issuance of Federal Form W-2G.

Withholding: If the winner provides accurate social security number, no withholding is necessary for gross cash winnings under \$5,000 or less. If gross cash winnings exceed \$5,000, the payer must withhold a flat rate of 25% of the proceeds for federal income tax purposes and a flat rate of 5% for Nebraska income tax. Withholding will be applied to the winnings reduced by the amount of the wager.

Backup Withholding: If winner does not provide his/her social security number, the payer must withhold a flat rate of 28% of the total amount of the winnings (less wager at payee discretion) for federal income tax purposes, as well as the flat rate of 5% for Nebraska income tax.

Non Cash Prizes

Reporting and withholding requirements for non-cash prizes (i.e., an automobile) can be complicated. Consult legal counsel or the Chancery Finance Office before offering any such prizes.

Conclusion - Mandatory Notification to Chancery

The Archdiocesan Finance Director or the Moderator of the Curia is to be notified as soon as possible in the event that the parish receives a notice of investigation or a letter that questions compliance with gaming statutes or regulations. The parish should not attempt to resolve inquiries from or disputes with the Nebraska Department of Revenue without assistance and guidance from the Chancery and, if necessary, legal counsel.

NEBRASKA STATE SALES TAX

Purpose

To clarify the impact of Nebraska State Sales Tax regulations on the purchase and sale transactions conducted by the institutions of the Archdiocese of Omaha

Parish and School Purchases

The parishes and separately incorporated schools of the Archdiocese of Omaha are exempt from payment of the Nebraska sales, as all have a Nebraska Exempt Organization Certificate of Exemption from the Nebraska Department of Revenue. This certificate assigns an organization an exemption number (05-XXXXXXX) which must be used in claiming its exemption on purchases.

The sales tax exemption is for the specific purchase needs of the parish, parish school or incorporated school. Under Nebraska State law, only the organization issued an Exempt Organization Certificate of Exemption may make purchases to be used by and its purposes without payment of sales tax.

Affiliated or subsidiary organizations, although operating in support of or under the guidance of the parish or incorporated school may NOT use the exemption certificate for purchases. The affiliated or subsidiary organization must apply for its own certificate, and may or may not qualify for its own exemption. This includes parishioner, student, parent and teacher related booster clubs and support organizations and other incorporated entities such as cemeteries, Knights of Columbus local chapters, Boy Scouts, etc.

The sales tax exemption does not extend to a person purchasing property to be given or donated to a parish or separately incorporated school. For an item to be purchased exempt, the person must donate the funds, and the parish or school must purchase the item. A retailer donating inventory to a parish or school is required to pay the use tax on the item donated.

Each organization must provide each of its suppliers a Nebraska Resale or Exempt Sale Certificate, Form 13, section B, as proof of its exempt status.

Definition of a Sale

Unless a specific exemption applies, sales tax is imposed upon the gross receipts from all sales, leases, rentals, installation, application, repair, or maintenance of tangible personal property, the gross receipts of every person providing or installing utility services, the gross receipts from the sale of admissions, the gross receipts from renting or furnishing accommodations or lodging for periods of less than thirty days.

This tax is not upon the article sold, but upon the transaction called the sale. The term "sale" includes installment, conditional and credit sales, and includes any transfer of title or possession, segregation in contemplation of transfer of title or possession, exchange, barter, lease or rental, conditional sale, or otherwise in any manner or by any means for a consideration.

The amount of sales tax collected is a trust fund held by the collector that belongs to the state. Any sales tax that is improperly or erroneously collected also belongs to the state and must be remitted.

If a parish or incorporated school makes sales of property or services subject to sales tax, it must apply for a Nebraska Sales Tax Permit and collect state and applicable local sales tax on the gross receipts from the sale. When the parish or school purchases the property for resale, it must complete a Nebraska Resale or Exempt Sale Certificate, Form 13, section A, and give it to its supplier.

Parish Sales

A parish must collect state and applicable local sales tax on sales to the general public or to its parishioners. However, a parish may make the following sales without collecting the tax:

Meals sold at a parish function which is primarily for parishioners.

A parish may have one annual sale that is not taxed. The sale must be at an activity of the parish, but it does not have to take place on parish grounds. It may last up to three consecutive days. The parish may have the assistance of an auctioneer at this sale. The parish may sell anything it owns at its sale, except a motor vehicle, trailer, or semi-trailer. The items may be new and made especially for the sale, or they may be donated for the sale. The parish may purchase property for resale, and must issue a Nebraska Resale or Exempt Sale Certificate, Form 13, to its supplier.

Incorporated School Sales

An individually incorporated school is required to collect sales tax on sales of property or services made to the general public or its students. However, the following sales may be made by the school or an organization approved by the school without collecting tax:

Admissions charged by the school or charged by student organizations or parent-teacher associations to an event or activity at the school during a regular school day or at an approved function of the school, including those open to the public.

Meals and food products, including soft drinks and candy, served during the regular school day or at school functions not open to the general public.

Concession sales of food sold by the school, a student organization or parent-teacher association, concession sales of food at events including those open to the public, sales by parent-booster clubs, parent-teacher associations, parent-teacher-student associations, or school-operated stores if the proceeds are used to support school activities or the school itself.

Parish School Sales

The same rules which apply to separately incorporated schools also apply to sales by parish schools which are not separately incorporated. The same exemptions are available, but the proceeds from the exempt sales should be used to support school-related activities of the parish.

Auction Sales

Recently, auction sales by both parishes and schools have come under scrutiny by the Nebraska Department of Revenue.

For the typical annual parish auction or dinner, where action items are sold, such action sales are not subject to sales tax. This is the case, even if the parish utilizes the services of a third-party auctioneer.

However, the rules governing auction sales at a school-related dinner are different. To be exempt from sales tax, the auction sale should be conducted by either school employees or volunteers of a parent-booster club, parent-teacher association, or parent-teacher-student association. In addition, if a third-party auctioneer is used to conduct the auction, the sales are likely subject to sales taxes. Any school, whether part of a parish or not, is encouraged to consult legal counsel before going forward with an auction sale.

Conclusion

Additional information regarding the Nebraska state and local Sales Tax can be obtained by contacting the Nebraska Department of Revenue through its web site at www.revenue.ne.gov, or by contacting legal counsel.

Archdiocese of Omaha
INFORMATION TECHNOLOGY STANDARDS - CYBER SECURITY

Cyber Security is the responsibility of every person using computer systems at the Chancery, parishes, schools and any other diocese facility. Failing to adhere to standard security procedures can result in the loss or theft of parishioner, donor, or employee confidential information, which could negatively affect the individuals involved, as well as severely jeopardize the parish or diocese. In addition, criminal attacks can lead to severe temporary or permanent damage to any network.

This document describes industry best practices and minimum standards for increasing security and stability of the office computer networks.

An annual review of this document is necessary as technology changes continuously and requires constant review.

TRAINING

Annual, or more frequent, training of staff about the latest security practices, online threats, and office technology operations is necessary for safe computer and information access, whether this is from onsite personnel or outside consulting. Incorporating a cyber security awareness training program for priests, employees, and volunteers who use computers or mobile devices at the location is critical to the security infrastructure. It is the most effective way to combat poor password practices, phishing attempts, and other cyber threats that could put systems, information, users, parishioner, donors, students, or the location at risk. (See the Appendix for Recommended Training Vendors.)

Minimum standard: Employees with financial or accounting responsibilities are required to complete annual social engineering training and be included in phishing simulation campaigns every 30 – 60 days.

NETWORK/WORKSTATION DEFENSE

Internet-facing firewalls should only have incoming ports open when needed for services, such as email and/or web servers, when these functions are hosted on site. It is a good idea to have a firewall that will add content filtering, gateway anti-virus and anti-malware, intrusion prevention, Geo Filters, DNS filters and Botnet Filters. These features are often found in lower-end firewall manufacturers. These devices have about a 3 to 7 year life. (See the Appendix for Recommended Firewall Manufacturers).

Workstations must have either the operating system firewall, an anti-virus firewall, or both implemented.

Additionally, networks should be armed with intrusion detection systems to detect anomalous network activity, such as ports scans, network sweeps, and data exfiltration.

Minimum standard: All computers must have a firewall solution implemented. A network-based Internet-facing firewall must be installed and provide port/application/IP filtering, content filtering, gateway anti-virus/anti-malware, and intrusion prevention.

WI-FI

Wireless networks must be password-protected. There should be at least two SSID's associated, one for public internet access (guest networks) and one for private office access. All wireless SSID's should be WPA2 or WPA3 encrypted. Devices and associated network traffic from the guest network should be on a separate VLAN or network.

Access to the private network must be ONLY for parish-owned laptops, tablets, and computers that have a business need to access the office network for file and print services. The private network password is **never** given out and only the I.T. personnel should know it. Personally owned equipment, including all mobile devices, MUST use Guest networks.

It is further recommended that 802.1x / two-factor authentication in conjunction with Active Directory (see below) be used for access to internal wireless networks. With this in place, a network security key or password is not sufficient for access to the network; an authorized user connecting a piece of hardware to a wireless network will also have to authenticate themselves. This will further serve to give the parish a log of devices connected to wireless networks, and the persons connecting those devices.

Minimum standard: If you have WI-FI all SSID's must be WPA2 or WPA3 encrypted. If an SSID is provided for public internet access (guest networks) and one for private office access. Devices and associated network traffic from the guest network should be on a separate VLAN or network.

ENDPOINT DETECTION AND RESPONSE, UPDATES AND PATCHES

An Endpoint Detection and Response (EDR) that includes centralized monitoring and logging of all endpoint activity across the organization or a Next-Generation Antivirus (NGAV) with EDR functionality must be installed on every system, whether be it Windows, Mac, or Linux. It is very important to update operating systems (See appendix Recommend Update Servers/Applications), security related software, and browsers regularly. Full scans should be done at least once per week. (See the appendix Recommended EDR and NGAV Manufacturers)

Minimum standard: All systems must have Endpoint Detection and Response (EDR) or a Next-Generation Antivirus (NGAV)) with EDR functionality software installed.

ACTIVE DIRECTORY

It is suggested that a server is used for authentication to access file and print services, and for shared authentication on parish-owned systems. Using an authentication server enforces the use of strong passwords and removes the need for peer-to-peer networks, which are discouraged because they lead to sharing of passwords and also increase the chance of spreading computer viruses and exploiting security related vulnerabilities. Centralized authentication also paves the way for the use of 802.1x-based authentication and multi-factor authentication ("MFA") for stronger protection of wireless networks and remote access to systems.

COMPUTER OPERATING SYSTEMS

Update Windows, Mac, iOS, Android, and Linux system software as soon as patches and/or updates are made available. Linux server systems should be configured to email out patch reports where consoles are not regularly accessed.

Make sure that the software is still supported by the vendor for updates and security patches. As of this writing, anything earlier Windows 10 is no longer supported, and Windows 10 versions prior to 2004 are no longer receiving security patches or updates. Mac or iOS software should be kept up-to-date. If a device is no longer receiving update messages then it's probably obsolete and should be replaced or

upgraded in place. (See Appendix for Operating Systems End of Life schedule).

***Current Recommendation: Windows 10 version 21H1 or greater, macOS 10.14 (“Mojave”) or greater.**

PASSWORDS AND AUTHENTICATION

Passwords can make or break the security of a system. The standard password should include a combination of upper and lower case characters, numbers, and special characters such as (!@#\$%^&) and should be at least 12 characters long. Do not store passwords on paper and stick to the monitor or under the keyboard. Written password storage, if required, should be protected by lock and key. If you must share a password then do it in person or over the phone. Never send a password through email. Aim to change a password every 60 – 90 days. Avoid using the same password on different systems. Do not reuse the same password, especially for email and banking. (See the Appendix for Password Manager Applications).

Passwords in parish or school information systems such as PDS, ParishSOFT, PowerSchool or on third party software should also be changed every 90 days. Any time a service like PDS Church Office, Facebook, Office 365, Sycamore or Gmail offers a "two-step verification" or “multi-factor authentication,” use it. When enabled, signing in will require you to also enter in a code that's sent as a text message to your phone or a separate device. This means that in the event of an attempt to access an account the attacker won't be able to sign in, even if they know your password.

Multi-factor authentication should be used for remote access to internal networks (including remote desktops), email, applications and services that contain sensitive PII information, and for wireless access to internal networks (802.1x).

Multi-factor authentication should also be used for all local and remote access to privileged user accounts.

Minimum standard: The use of multi-factor authentication to secure all remote access to your network, including any remote desktop connections, email, and all local and remote access to privileged user accounts.

PHISHING AND OTHER SCAMS

phish·ing 'fiSHiNG/ noun

The fraudulent practice of sending emails purporting to be from reputable companies in order to induce individuals to reveal personal information, such as passwords and credit card numbers.

There are many email scams that happen on a daily basis. An email that begins with “Dear Customer” or “Dear youremail@gmail.com” has a high likelihood of being a phishing scheme. Most legitimate emails from coworkers, friends or companies will state a name as a greeting like “Hi John” or “Dear Mr. Doe”. Care must be taken with messages that state that a shipment of something is in progress and “click here” to view the latest progress of the shipment. Don’t click on a link or open an attached file if you aren’t absolutely confident that it came from a trusted source.

Also, educate users to hover over links before clicking them, to make sure that they are actually links to the places on the internet they claim to be.

SENSITIVE INFORMATION PROTECT

Attackers are after personal confidential information, or personally identifiable information (“PII”), such

as: credit cards, social security numbers, donor or student names, email addresses, birth dates, etc. This information must not be sent through regular email. It must be sent through a secure file transfer system, encrypted email or over the phone. This information in physical form, if needed, must be secured in a locked cabinet or safe when not in use. Where resting in stasis (storage) on computer systems, all such PII should be encrypted. Information on location websites should also be cleaned of email addresses and direct phone numbers. These can lead to page scraping by spammers. Consider using a single Contact us page instead that directs the request to a receptionist email or phone.

All sensitive PII and confidential information should be stored on segregated servers and users access should be provided based upon role (group) based assignments.

Use of Flocknote or other communication systems like Constant Contact or Mailchimp should replace outgoing office email messages that contain large numbers of parishioner or parents email addresses.

Minimum standard: All sensitive and confidential information stored on your organization's systems and networks must be encrypted.

EMAIL, EMAIL ADDRESSES and DOMAINS

Each location should have a domain name that is similar to the location name and easy to remember. Here are a few examples of this:

St. Vincent de Paul in Omaha <https://www.svdpomaha.org/>

Christ the King in Omaha <https://ctkomaha.org/>

Personal or generic email addresses from companies like Gmail, Yahoo, AOL, etc., should not be used for business purposes. Mixing personal and business email is never good. Also, it's much easier for your constituents to spot a phishing attempt when an email address matches your location instead of something like frgregbaxterparish@gmail.com.

The cost of setting up a domain name and email attached to it is much less than being scammed or having your reputation marred by the bad guys trying to imitate your address.

An email solution or provider should be selected that provides secure account access through multi-factor authentication and provides effective spam filtering capabilities. Additionally, email filtering designed to prevent phishing or ransomware attacks (in addition to a general spam filtering solution) is necessary.

Minimum standard: An email filtering solution designed to prevent phishing or ransomware attacks (in addition to a general spam filtering solution(s) provided by your email provider) must be in place.

Note: previous multi-factor authentication minimum standard for email access.

REMOTE DESKTOP ACCESS

There are many applications for gaining remote access to location desktops and servers. All must include the ability to do the following:

1. Blank the local screen when a remote connection is established.
2. Require a password for every logon attempt.
3. Multi Factor Authentication (MFA).

Minimum standard: All remote desktop access must require a password for every login attempt and MFA

LOCK COMPUTERS AND DEVICES

Physical access to equipment such as servers should be limited, kept locked and secured with a key that doesn't open any other door. For desktops, have a short computer lockout policy, 5-15 minutes, so if a user steps away from their workstation, the PC will auto lock quickly and request a password. Laptops must also be physically locked up when not in use. Laptops with sensitive information should not be used outside of the workplace unless authorized by management, and should make use of whole-disk encryption to protect sensitive information on the move.

SECURE PORTABLE MEDIA

Portable devices such as mobile phones and laptops should have limited password access to the network. When using portable media such as USB drives and DVDs, it is important to scan these devices for malware before use. If you find a USB device, **DON'T USE IT AT ALL**; this is a common trick to gain access to private networks. These devices should not be bootable or allowed to directly run install software.

REPORT LOST OR STOLEN DEVICES

It is important to report a lost or stolen device to the person maintaining the location's I.T. who will determine if a remote wipe is possible. Catholic Mutual should also be contacted if the device in question contains confidential information such as donor addresses, phone numbers, donation amounts, student information, password, credit cards, social security numbers, etc.

BACKUP

Regular backup of critical data is mandatory for business continuity. Using an external drive for backup is acceptable as long as the device is removed after the backup process is complete and the device is encrypted. At least two external devices should be used and rotated at least weekly. The rotated device must be kept in the office safe or kept offsite (ideally in a data storage facility).

Backup services to vendors in the Cloud, either as a dedicated cloud service or kept in a cloud syncing service, are another option to keep your data safe. They should utilize the following: restore to a point in time from multiple backups, are immutable, access protect by MFA and utilize encryption. (See Appendix for Cloud Backup Services).

Test that data can be recovered from the backups at semi-regular intervals. Quarterly is recommended.

Minimum standard: Weekly backups using a backup solution for all critical data, where the backed up data is segregated and/or disconnected from your network in such a way to reduce or eliminate the risk of the backup being compromised in a malware or ransomware attack. Kept in a dedicated cloud service protected by MFA **OR** kept in a cloud-syncing service protected by MFA; is tested semi-annually; can be used to restore essential network functions within 3 days of widespread malware or ransomware attack.

SUPPORT

Often overlooked, support may be the most critical consideration with regard to a network of any size. Always consider who will implement and review policies, train employees, support the computers or network and how. Ensure that there is a specific agreement with support vendor(s) defining a Support Level Agreement (SLA) that meets the business need. However in today's environment, having internal support may not be enough. Other considerations need to be thought out.

Nowadays, contracting with outside monitoring firms should be seriously considered part one's IT

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program for not only avoiding and preventing potential cyber threats but also detecting when one might be underway. Utilizing a company that is constantly monitoring, scanning, and responding to any cyber-attack will help you identify a threat and notify you before you've been compromised. And while a service such as this might be viewed as an expense not needed, consider the following real example.

In the middle of the night, an organization's server was infiltrated and made inaccessible because a user's credential was obtained and used to login into the network. The attackers demanded a ransom in the amount of \$240,000 for the code that would allow for the access to the servers. However, had there have not been a service recognizing what was happening the impact could have been much worse.

The impact of the attack cannot be underestimated. It was not just the matter of the ransom, but also the painstaking work that followed. It took months to be able to get everything back to where it was before. It created the necessity of notifying tens of thousands of individuals whose names may have been compromised, and required notification of local, state and federal agencies.

In this example, had it not been the work of the IT monitoring company to not only understand what was happening, but what to do, the damage could have been much worse. This is why it's strongly recommended that beyond hiring an individual to handle your day-to-day IT needs, you should look to utilize a company or service that can help with your monitoring.

WORK-RELATED DEVICE SOFTWARE AND SAAS POLICY

The location should have clear rules for what employees and volunteers can install, use and keep on their work-related devices. Make sure they understand and abide by these rules by limiting administrative rights on the location machines. Unknown outside programs and web-based services can open security vulnerabilities in your network. Only install or provide access to programs and web-based services evaluated and approved by the location Business Manager, Pastor, Principal or IT Director on location devices.

WHAT TO DO IF A CYBER INCIDENT TAKES PLACE

In the event of a suspected cyber-attack, the following steps should be followed in the case of an actual or potential information security breach, including: (a) all losses or disclosures of confidential or sensitive information, (b) all information security violations and problems, (c) all suspected information security problems, vulnerabilities, and incidents, (d) any damage to or loss of location computer hardware, software, or information that has been entrusted to their care.

Step 1. Do not turn off or reboot any systems, but unplug network cables IMMEDIATELY, and/or disconnect the system(s) from the wireless network. Take notes (date; time; who discovered; what tripped the alarm);

Step 2. Report the incident to: (A) designated person per location policy. This can be the primary IT contact as well as Catholic Mutual, in addition to the Archdiocese IT Office.

Step 3. Instruct reporting personnel not to do anything until appropriate counsel is obtained.

Step 4. After confirmation, secure the scene. Do not allow anyone to take any action on affected systems;

Step 5. Determine if security of sensitive data was breached and, if so, what data elements were included (e.g. name, age, DOB, SSN, medical information); and,

Step 6. Preserve and protect the evidence.

THIRD-PARTY SECURITY TESTING

It has long been an accepted best practice to conduct regular third-party reviews or audits of security posture, with a different set of eyes each time. This ensures that third parties bring in new areas of expertise each time, and provide a snapshot of the risk posture of the organization, and a list of things to consider fixing or addressing.

Appendixes:

RECOMMENDED TRAINING VENDORS

Microsoft offers a free Internet Safety for Enterprise & Organizations toolkit.

<https://www.gcflearnfree.org/internetsafety/> is a free class available for all companies.

Lynda.com offers a series of cybersecurity awareness courses.

KnowBe4.com is a paid service that offers Cyber Security Training and campaigns to the test user awareness through email and other media types.

RECOMMENDED FIREWALL MANUFACTURERS

Here are a few manufacturers that have content filtering, gateway anti-virus, etc. and are available at a reasonable price.

Fortinet FortiGate

Sophos XG series

Cisco Firepower

Palo Alto Networks NGFW Series

RECOMMENDED EDR MANUFACTURERS

Carbon Black

BlackBerry

Sophos InterceptX

FireEye Endpoint Security

Fortinet FortiEDR

Cisco Secure Endpoints

RECOMMENDED UPDATE SERVERS/APPLICATIONS

Windows Update Server 3.0 (server) – Windows Patches and Updates

Microsoft System Center Configuration Manager - Windows Patches and Updates

Microsoft Intune - Windows Patches, MDM and Updates

Ninite Pro (application) – Third Party Updates (Adobe Reader, Chrome, Firefox, Flash, Java, etc.)

Solar Winds Patch Manager (server) – Third Party Updates

PASSWORD MANAGEMENT APPLICATIONS

iOS, Windows, MAC, Chromium - LastPass

iOS, Windows, MAC, Chromium, Android, Mac – Keeper

iOS – oneSafe

Windows – KeePass 2

Mac – 1Password

Mac- KeyChains

CLOUD BACKUP SERVICES

Druva

Veam

Carbonite

Rubrik

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iDrive
TimeMachine

OPERATING SYSTEMS END OF LIFE

Any Windows operating systems not listed below are obsolete and are not

supported. Microsoft Desktop Operating Systems:

Windows 8 – Windows 8.1 – January 10, 2023

Windows 10 – Version 1809 – November 10, 2020

Windows 10 – Version 1903 – December 8, 2020

Windows 10 – Version 1909 – May 11, 2021

Windows 10 – Version 2004 – December 14, 2021

Windows 10 – Version 20H2 – May 10, 2022

Windows 10 – Version 21H1 – December 13, 2022

Microsoft Server Operating Systems:

Windows 2012 – January 10, 2023

Windows 2012 – R2 – January 10, 2023

Windows 2016 – January 12, 2027

Windows 2019 – January 9, 2029