

ARCH SUPPORT

Issue 71

January, 2007

AUDITOR'S NOTES REVIEW...

Employee or Independent Contractor?

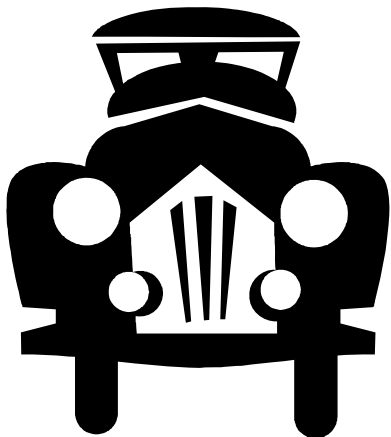
Many parishes are working diligently to control expenses by engaging people on a part-time basis to perform tasks not suited for a regular employee. While many of these tasks are seasonal or sporadic in nature some services can be provided on a regular basis, so the individuals are often hired as independent contractors. Accordingly, they are paid a lump sum for their efforts, with no fringe benefits and no social security or income taxes withheld. At year end, these individuals are given a Form 1099 for the total amount received in the calendar year. The individuals are then responsible for any self-employment and income taxes thereon when they file their personal income tax returns.



Do be careful in this determination. In general terms, Internal Revenue Service regulations define an employee (subject to employee withholding taxes reported on Form W-2 at year end) as someone who:

- ◆ works under the control of, and at the discretion of the employer.
- ◆ performs regular tasks designated, controlled and assigned by the employer.
- ◆ is provided (by the employer) all of the tools necessary to complete the assigned tasks.
- ◆ does not perform similar services for other employers.

If you have a like situation in your parish, call the Personnel Office at the Chancery for their help in making a determination of whether the person is an employee or an independent contractor. Determination of employee status can be involved and somewhat complicated; the total facts and circumstances of each individual case must be considered. It is far better to get sound advice now, rather than have an adverse determination later by the Internal Revenue Service.



2007 Mileage Reimbursement Rate

Effective January 1, 2007, the Internal Revenue Service has increased the mileage reimbursement rate for business-related mileage to 48.5 cents per mile. When submitting requests for reimbursement, please be sure to use the present rate of 44.5 cents per mile for miles driven through December 31, 2006. The new rate applies to mileage driven after that date.

2006 REIMBURSEMENTS

Please remind your employees that to be reimbursed from the **2006 Flex Health Care and Dependent Care Accounts**, expenses must be incurred by December 31, 2006 and requests must be received by the Chancery Finance Office (attention: Phyliss Wilkins) by February 28, 2007. Amounts remaining in the accounts after the February 28th requests are processed will be forfeited.

Flexible Spending Accounts

2006 and 2007 Health Care Reimbursement Forms and 2006 and 2007 Dependent Care Reimbursement Forms are available on the website.

Log on to archlou.org—Click on THE ARCHDIOCESE—Click on Publications—Forms are listed under Resources

2007 FLEX CONTRIBUTION SHEETS

The parish payment worksheets updated with the 2007 information will be sent to the business managers/bookkeepers when completed. Please carefully review this information and verify it against your benefit enrollment forms and your health care and dependent care withholding accounts to ensure the information is correct. Use this sheet as a Master. An updated sheet will be sent out when we receive information on new hires, terminations or transferring employees. Also be reminded that it is important that we are notified of change of address on employees. This change should be reported on the notification of change form.

Parish Mailing Dates

Please find below the dates for parish mailings through June, 2007. These dates are subject to change due to volume of material. If dates are changed, a message will be sent to the general e-mail address of the parishes.

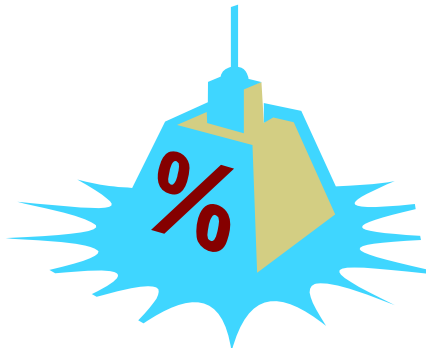
January 12th and January 26th
February 9th and February 23rd
March 9th and March 23rd
April 5th and April 20th
May 4th and May 18th
June 1st, June 15th and June 29th



DEPOSIT AND LOAN FUND

Effective January 1, 2007, new interest rates for the Deposit and Loan Fund are:

Savings Accounts	4.90%
New loan interest	7.40%
Parish/Cemetery Endowments	6.40%



Parish/Cemetery Endowment accounts and Operating Loans are now maintained on DLS Online. Statements will no longer be mailed for those accounts. If you have questions or need additional information, contact Margaret Kopatz-Kraus at 502.471.2229 or 502.585.3291 Ext. 1132 or via E-mail at mkopatzkraus@archlou.org

FOOD SERVICE NEWS



We're rolling out the red carpet to
Welcome Juanita Bisig!

The Finance and Food Service Office welcomed Juanita to their staff in early January. Juanita was previously manager of the St. Patrick/Eastwood Food Service Program for five years. Prior to that, she served as assistant manager at St. Raphael Food Service Program bringing ten years of experience from her time at Ten Broeck. Join us in welcoming Juanita to our staff.

Mark Your Calendar for 2007!!	
<u>Date</u>	<u>Event</u>
February 5-6	DOD delivery
February 20-21	DOD delivery
March 5-6	DOD delivery
March 5-9	National School Breakfast Week "A World of School Breakfasts"
March 13	Managers meeting, 2:30-4:30 PM St. Aloysius/Shepherdsville
March 14	Managers meeting, 2:30-4:30 PM Maloney Center
March 19-20	DOD delivery
April 16-17	DOD delivery
May 15	Managers Meeting, 2:30-4:30 PM St. Catherine/New Haven
May 16	Managers Meeting, 2:30-4:30 PM Maloney Center
June 25-27	KY School Nutrition Association Conference, Galt House, Louisville Kentucky
July 15-18	School Nutrition Association Conference Chicago, Illinois



Retirement

If any managers are retiring at the end of the current school year, please notify Juanita at 502/585-3291, ext. 1123 or jbisig@archlou.org

SAVE THE DATE!

SNA's Annual National Conference (ANC)
ANC Chicago, July 15-18, 2007:
the school nutrition event of the year!

LEARN, NETWORK and HAVE FUN at ANC CHICAGO; EXPERIENCE Chicago's attractions, restaurants and hotels at affordable prices

LEARN from over 80 educational sessions

SAMPLE and taste new products from over 800 exhibits

GAIN concrete ideas you can use every day and a lifetime of friendships

More information will be distributed at the March Cafeteria Managers Meetings.

KSNA Conference

KSNA Conference will be held **June 19-21** in Louisville. **All managers are encouraged to attend.** This is a great opportunity to participate in the conference experience especially if the program is unable to afford the National Conference. The Archdiocese of Louisville Food Service Office will pay registration for all interested in attending. More information will be distributed at the March Cafeteria Managers Meetings.

National School Lunch Program A.D.P. HONOR ROLL

A Job Well Done, the following managers more than did it—they did it great! For the month of **November 2006**, the following programs met or exceeded the average daily participation system average of **79%**. **Keep up the good work!**

99%	Carolyn O'Daniel – St. Augustine
97%	Pam Stober - Holy Family
93%	Yvonne Miles - Nativity School
92%	Gwen Wheatley – St Nicholas North
91%	Charlotte Hamilton – St. Dominic
90%	Janie McNeill – Notre Dame Academy
87%	Debbie Durbin – St. Catherine
85%	Sue Fuller - Immaculate Conception
84%	Melanie Wafzig – St. Athanasius
84%	Dolly Krebs – St. Edward
83%	Debbie Smelson – St Nicholas South
82%	Mickie Wheatley – St. Gregory
81%	Betty Bramer – Ascension
79%	Jennifer Ellis – St. Bernard
79%	Sharon Grider – St. Albert

Monthly D-2 Checklist

Use your monthly D-2 checklist when submitting your reports to ensure you include the required information. Often times we do not receive all of the supporting reports OR we receive information that is not necessary. Use the checklist each month!



2006 Audit Findings

During the fiscal year ending June 2006 compliance audit of the federally funded school lunch program, the auditors noted several areas where there was a lack of documentation and incomplete records.

Following are the areas of concern:

- ✓ Actual number of days lunch was served was different than the number of days reported on Form D-2
- ✓ Indirect expenses were overstated when compared to the income statement
- ✓ Opening bank balance included the petty cash
- ✓ Form D-2 did not include unpaid bills
- ✓ Beginning and ending bank reconciliation did not agree with the general ledger and Form D-2



Jefferson County Health Department Sanitation Course

If you need to be certified by the Jefferson County Health Department you must register in person at 400 E. Gray Street and pay the fee of \$25.00 to receive materials to test. After fee is paid, call 458-0841 within 90 days to schedule exam day and time.

All managers and any employee who works in food preparation must be certified.

Catholic Mutual Property and Liability Insurance Information

From the desk of Brad Harruff

Winter Sidewalks

Cleaning of sidewalks covered in ice and snow before an early church or school service can sometimes pose a problem. Every year numerous slip and fall claims find their way to my office. When these times do occur, and your contractor, maintenance man or volunteer cannot fully attend to these weather-related issues, set these “clean first” priorities:

- Steps and landings
- Main entrance ways to include mats on the interior, especially tile or terrazzo
- Handicapped parking areas and ramps
- Walkways and parking areas

If it is impractical to have all areas cleared, consider using cinders. They give more traction than sand with less mess. As an alternate to salt, you can use 10-10-10 fertilizer. Although this will not hurt the grass, it works much slower and not at temperatures below 20 degrees.



Keeping our parishioners, visitors and employees safe should always be a priority during this weather related tasks.

Certificates of Insurance

Certificates must be obtained from any third party contractor doing work on parish, school or archdiocesan property as set forth in our financial policies and procedures manual. Certificates should be kept on file in the business office. Picnic and festival vendors (such as rides) are NO EXCEPTION and these contractors must produce a current, valid proof of insurance.

OUTSIDE GROUPS - I have had a lot of calls as to what constitutes an “outside group”. Simply put, it is any group or person occupying parish, school or archdiocesan space that is legally aligned to an outside organization; e.g., the Boy Scouts

of America, the 4-H, Girl Scouts, etc. even though they may be sponsored by the school or parish. Some of these groups have provided a master Certificate of Insurance that is on file in my office. If in doubt, contact me or Phyliss Wilkins and we will get you an answer.

Should one of your groups need our certificate of insurance when visiting or using another facility, you must call my office FIVE days prior to the event and supply a copy of the contract. This process cannot be handled efficiently and effectively on a last minutes basis.

Special Events Certificates

Applications for Special Events Certificates MUST be turned in 14 days prior to the event. These applications require an approval process from this office as well as an additional approval process from the underwriter. Should an application be denied, we can advise immediately and recommend corrective action. If applications are not submitted in time to allow adequate processing time, they are denied and returned.

Auto Insurance

Parish, schools and priests must meet the insurance standards as outlined in the financial policies and procedures manual. You may purchase vehicle insurance from the company of your choice or contact me. Catholic Mutual can broker coverage from Virginia Surety Insurance.

Declaration Pages

These are the pages that list all your buildings. Be sure to review and verify that all property is listed. Also check for property that may need to be removed. If you want to discuss changing coverages for a building you may no longer use or simply to consider a different pricing option, please give me a call.

Invoice of Account Questions

Contact Shelly Grote or Lisa French at 1-800-228-6108, ext. 235.

Thanks to all who, in the last 10 years, have helped make our Archdiocese a safer place for our employees and guests. Again, don't hesitate to give me a call for questions or additional information – when in doubt, ASK.

Claims

Claims can be reported at the Catholic Mutual website. Also available are a wide variety of Risk Management documents. Visit us at www.catholicmutual.org

ID: 122lou
Password: service



**ARCH SUPPORT
ON THE WEB!**

To read the newsletter online or print additional copies, go to the archdiocesan web site

www.archlou.org

click on the "THE ARCHDIOCESE"
click on Publications

This latest edition will be available as well as issues from the last two years.

ARCH SUPPORT

Archdiocese of Louisville
Finance Department
P.O. Box 1073
Louisville, KY 40201-1073

2007 ARCH SUPPORT MEETINGS

FEBRUARY

Tuesday, February 20, 2007—10:00 am
St. Joseph Parish Office—Bardstown

Thursday, February 22, 2007—10:00 am
Maloney Center—Louisville

Guest presenters: Margaret Kopatz-Kraus, Audit Administrator and
Charlie Mays, Auditor

APRIL

Wednesday, April 18, 2007—10:00 am
Maloney Center

Thursday, April 19, 2007—10:00 am
St. Joseph Parish Office—Bardstown

Guest presenter: Brad Harruff, Catholic Mutual Insurance

JUNE

Tuesday, June 5, 2007—10:00 am
Maloney Center

Wednesday, June 6, 2007—10:00 am
St. Joseph Parish Office—Bardstown

Mark your 2007 calendar now!!! All business managers and bookkeepers are encouraged to attend. Watch for meeting details in the ARCH SUPPORT NEWSLETTER.

BUSINESS MANAGERS ROUNDTABLE

MARCH

Wednesday, March 21st—St. Clement
Hosted by: Ria Drago

MAY

Thursday, May 10th—Holy Trinity, Louisville
Hosted by: Mary Beth Johnson

JULY

Wednesday, July 25th—Epiphany
Hosted by Martha Stuber

Additional details and RSVP information will be provided via the Business Managers E-mail group listing.