

10 Stewardship: Gift of Treasure



Subsection

- 10.0 Introduction
- 10.1 Stewardship Education
- 10.2 Capital Campaign
 - 10.2.1 Donations of Real Estate
- 10.3 Planned Giving-Establishing Endowments
- 10.4 Charitable Contributions
- 10.5 Gifts of Real Estate to Parish
- 10.6 Electronic Offertory Giving
- 10.7 Recording Yearend Offertory Gifts

	This	Replaces
Section	10.0	11.0
Page	1 of 1	1 of 1
Date	3/10/17	07/01/15

10.0 Introduction

Stewardship is a way of life. It impacts every aspect of the life of the Catholic Disciple. This section will focus on helping parishes to be good stewards of the gifts that parishioners entrust to the Church. While this is only one small part of a full understanding of stewardship, good practices in this area can make a big impact on parish life.

The Office of Stewardship and the Annual Catholic Appeal assists parishes, schools and agencies of the Archdiocese with a wide range of stewardship initiatives. Every parish should establish a stewardship committee that collaborates and coordinates all activities with the Parish Council and the Parish Finance Council. Professionals on staff are available to offer to Parish Finance Councils and Parish Stewardship Committees:

- Consultation
- On-Site Presentations
- Training
- Educational Materials
- Marketing Resources

The office provides assistance and resources with:

- Establishing a Stewardship Committee
- Stewardship Educational Programs
- Capital Campaigns
- Planned Giving (in partnership with the Roman Catholic Foundation of Eastern Missouri)
- Endowments

Staff representatives are available to meet with:

- The Pastor and/or parish staff
- Parish Stewardship Committee
- Parish Evangelization Committee
- The Parish Finance Council
- The Parish Council
- Leaders of your parish organizations

In order for parishes to obtain the revenues necessary for operations they must strategically plan for all potential funding resources. A comprehensive development plan, which is one part of a parish stewardship plan, may include annual offertory giving, special events, capital campaigns, planned gifts and endowments.

All parishioners are invited to receive the monthly stewardship e-newsletter from the Office of Stewardship and the Annual Catholic Appeal. To sign up or to arrange a meeting call 314.792.7680.

	This	Replaces
Section	10.1	11.1
Page	1 of 1	1 of 1
Date	3/10/17	07/01/15

10.1 Stewardship Education

In January 2010, the Archbishop of St. Louis encouraged all parishes to embrace stewardship, saying, *"I'd like to suggest that we take stewardship even more seriously by focusing our attention on: **prayer, participation and generosity.**"* The Archbishop's stewardship goals are as follows:

1. Let us reflect prayerfully on what stewardship means to us individually and as a Church.
2. Let us focus our attention on growing participation – on the relationship between stewardship and evangelization.
3. Let us focus on generosity, or returning God's gifts with increase, through sharing of our time, talent and treasure.

Parishes wishing to initiate or strengthen stewardship efforts, should contact the Office of Stewardship and the Annual Catholic Appeal for assistance, training, brochures, covenant cards, prayer cards, and/or posters to introduce the stewardship concepts of prayer, participation and generosity.

Embracing stewardship is critical to the vitality of a parish for many reasons.

1. First and foremost, stewardship is how we respond to the call of the Gospel. In their Pastoral Letter on stewardship, ***Stewardship: A Disciple's Response***, the US Catholic Bishops have stated, *"Once one chooses to become a disciple of Jesus Christ, stewardship is not an option."*
2. Stewardship is the tradition of the Church. Yet many parishes attempt to address financial needs through more and more fundraising activities. This endless fundraising can turn our parishes into marketplaces and cause donor and volunteer fatigue. In contrast, stewardship can reduce donor fatigue and fundraising events by encouraging parishioners simply to bring their gifts to the altar through Offertory and other forms of direct giving.
3. Stewardship encourages greater spirituality in the parish.
4. Stewardship helps make parishes financially stronger.
5. Stewardship encourages more active ministry in a parish.

To reap the full benefits of stewardship, it is recommended that a parish should form a separate Stewardship Committee. Contact the Stewardship Office to organize a formal parish stewardship committee or to develop a custom stewardship plan with your existing stewardship committee.

All parishes are encouraged to implement an electronic offertory program in their parish. Electronic offertory programs help to strengthen offertory giving in a parish, as people give even when they attend Mass elsewhere. The Office of Stewardship and the Annual Catholic Appeal maintains a list of approved vendors for parishes to consider when selecting a vendor for this service.

For information or assistance in forming a parish stewardship and development committee, contact: Director of Stewardship Education at 314.792.7215

Information on stewardship education also can be found on the stewardship website: www.archstl.org/stewardship.

	This	Replaces
Section	10.2	11.2
Page	1 of 2	1 of 1
Date	3/10/17	07/01/15

10.2 Capital Campaign

A capital campaign is designed to raise significant funding over a relatively short period of time, usually for new construction, renovations, debt reduction and/or endowment. A feasibility study determines the goal and plan of action for a capital campaign.

The major elements of a parish capital campaign are as follows:

- Defining the Parish Situation
- Compiling Parish Background Information
- Pre-Campaign Activities (Feasibility Study, Informational Meetings)
- Identifying and Evaluating Potential Campaign Donors ("Prospects")
- Planning and Organizing the Campaign
- Recruiting and Training Campaign Leaders
- Building Campaign Committees
- Recruiting and Training Campaign Volunteers
- Preparing Campaign Materials
- Soliciting Campaign Gifts
- Campaign Progress Meetings
- Post-Campaign Activities

In order for a parish to pursue a capital campaign:

- Clearly define with parish leadership the goals of the campaign.
- Consider whether or not a capital campaign is really the best way to achieve these goals and whether your parish is ready. Contact the Executive Director of Stewardship and the Annual Catholic Appeal for help.
- Write to the Archbishop requesting approval for the project concept and feasibility study.
- Contact the Executive Director of Stewardship and the Annual Catholic Appeal (ACA) at the Rigali Center for guidance in the selection of a professional consultant to conduct a feasibility or planning study to ascertain the readiness of the parish for a campaign and the potential goal.
- If it is necessary to conduct a capital campaign to qualify for loan consideration (generally 50% of the cost of the project on deposit) and if the feasibility study confirms adequate parishioner support for the project, a detailed description of the project as now defined* must be sent to the Archbishop along with the parish's request for permission to conduct a capital campaign. A copy of this letter should be sent to the Executive Director of Stewardship and the ACA.
*In light of the feasibility study, the project may need to be changed.
- In consultation with the Executive Director of Stewardship and the ACA, the Parish selects a capital campaign consultant. Often it will be the same consultant who did the feasibility study.
- Considering refined cost projections and the results of the capital campaign, the parish determines the loan amount needed. The parish supplies the Archbishop with an updated description of the project, project costs, and campaign results in concert with a request for permission to apply to The St. Louis Archdiocesan Fund for a loan.
- The parish, having received loan application permission from the Archbishop, contacts the Archdiocesan Finance Office to receive instructions on the loan application process.
- Develop a detailed plan for executing the capital campaign and collecting pledges.

	This	Replaces
Section	10.2	10.2
Page	2 of 2	2 of 2
Date	3/10/17	07/01/15

10.2 Capital Campaign

All parish capital campaigns are subject to the same assessments as parish offertory.

Among other benefits, these assessments provide scholarships for children in need, help for poor parishes, and support other efforts critical to the mission of the Church in the Archdiocese of St. Louis.

As of 2017, this rate is approximately 7.7% for the following assessments:

- Administrative Services Assessment
- Catholic Education Assessment
- Mission Advancement Initiative Assessment

The parish should consider the amount of the assessment in their planning and may want to include it as part of their case statement. Please consult with the Finance Office to determine the exact amount and payment schedule.

For more information on capital campaigns, please contact:

Executive Director of Stewardship and the ACA
Archdiocese of St. Louis
314-792-7680

	This	Replaces
Section	10.2.1	11.2.1
Page	1 of 1	1 of 1
Date	3/10/17	07/01/15

10.2.1 Donations of Real Estate

If a donor wishes to donate real property, whether developed or undeveloped, as a contribution to a parish, the Pastor should contact the Executive Director of Stewardship and the ACA for assistance. The Executive Director of Stewardship and the ACA, in consultation with the Chief Financial Officer and the Office of Building and Real Estate, shall determine the suitability of the donation, and shall advise the Pastor on the procedures and requirements before accepting the donation.

In considering suitability, the following shall be considered:

1. Location, size and condition of the property in relation to:
 - a. the Parish
 - b. other parishes
 - c. Other needs within the Archdiocese
2. Current zoning, easements or other use restrictions
3. Marketability and value of the property.

A Phase-I Environmental Study may be required, particularly on property that was used for commercial purposes. A request for a Phase-I study is at the discretion of the Archdiocese. The cost of a Phase-I study should be borne by the donor, unless prior approval for other arrangements is obtained from the CFO.

If the property appears to be suitable for acceptance, the Office of Building and Real Estate shall arrange for a title search by a Title Company acceptable to the Archdiocese. Donated property generally should be free of liens, mortgages, deeds of trust, or other encumbrances. Current year taxes, subdivision fees, and utility assessments may be considered acceptable encumbrances, and shall be included in evaluating the donation value to the Parish.

An appraisal shall be obtained by the Office of Building and Real Estate to determine the fair market value of the property. The requirement for an appraisal may be waived, if circumstances warrant a waiver, and if the Pastor and the CFO agree to the waiver.

Upon conveyance of the property title to the Catholic Real Estate Trust of the appropriate County, unless the Parish wants to keep the property for its own use, and if all conditions established by the Archdiocese have been satisfactorily resolved, then funds equal to the fair market value or actual sale price, net of all costs related to the property, shall be transferred by the Archdiocese to the appropriate parish account. The Parish shall recognize the donation on appropriate records and acknowledge the donation to the donor. The Parish, in consultation with the CFO, shall be responsible for providing the donor with the proper tax substantiation notice, in accordance with Internal Revenue regulations.

Final authority pertaining to the acceptance or rejection of the donation, the requirements or conditions placed on the donation, and the fair market value recognized by the Parish shall rest with the Archbishop, acting through the Chief Financial Officer.

	This	Replaces
Section	10.3	11.3
Page	1 of 2	1 of 2
Date	03/10/17	07/01/15

10.3 Planned Giving—Establishing Endowments

Planned Giving

Ideally, Christian stewardship impacts all phases of our life including our plans for the use of our worldly goods and resources after our death. Planned gifts are extraordinary gifts unlike normal Sunday contributions, capital campaign programs, and special fundraising events. Planned gifts usually involve gifts of assets rather than checks or cash. Planned giving can offer many benefits:

- Because the gifts are usually of assets versus cash, the gifts can be quite sizable.
- Planned gifts do not normally interfere with a parishioner's normal donations – it may in fact help solidify the donor's intent and increase their level of financial giving.
- The donor may gain a charitable tax deduction.
- It may help a donor reduce or avoid capital gains tax.
- It may lower their estate taxes.
- It may protect and potentially increase the size of a donor's estate for their heirs.
- It may increase the donor's existing income.
- Finally, it may help the donor recognize the dream of making a “gift of a lifetime” – usually the largest gift they will ever make, which may forever impact their favorite charity.

Planned gifts can include any of the following:

- Gifts of appreciated stock or securities.
- Charitable Gift Annuities.
- Charitable Remainder Trusts.
- Life Insurance Policies.
- Retained Life Estate Agreements (allowing the donor to live in his/her property for the rest of his/her life, but upon death your parish immediately receives the property).
- IRAs, 401(k)s, and other retirement plans.
- Gifts from Wills and/or Trusts.

Endowment

An endowment can be an integral part of your parish stewardship plan. Earnings generated through an endowment program will assist with income for your parish for generations to come.

What is an endowment, and how does it work? An endowment is a fund whose principal remains invested on behalf of a particular charity. Only the income generated from the fund's investment can be spent. Making a bequest or other planned gift to a parish endowment can:

- Give the donor the satisfaction of knowing his or her gift will continue to be helpful – *in perpetuity*.
- Allow the donor an opportunity to be recognized and appreciated during his/her lifetime.
- Ensure that the donor's intentions are implemented as established in an Endowment Operating Policy or Letter of Intention.
- Provide possible tax benefits for the donor and/or the donor's estate.

All endowments are held in the Investment Fund (hereinafter called “The Investment Fund”), a sub-account of The St. Louis Archdiocesan Fund or the Roman Catholic Foundation of Eastern Missouri (hereinafter called “The Foundation”). Parishes and agencies may establish new “Endowed Funds” with the Foundation subject to provisions of Canon Law. “Endowed Funds” as used herein is defined as any fund that, under the terms of a written instrument, is not wholly expendable by the parish or agency on a current basis. Please refer to Sections 8.1 and 8.6 for more detail.

	This	Replaces
Section	10.3	11.3
Page	2 of 2	2 of 2
Date	3/10/17	7/01/15

10.3 Planned Giving—Establishing Endowments

Each endowment requires its own Endowment Operating Policy. For endowments held in the Investment Fund, the Department of Stewardship and the Annual Catholic Appeal assists each parish with the establishment and implementation of an endowment and any amendments to an endowment. For endowments held at the Foundation, the Foundation will provide similar assistance. Either the Stewardship office or the Foundation will provide Endowment policy templates and expertise as appropriate to assist your parish with creating an endowment.

Endowments can be created for many purposes, including:

- Unrestricted parish support (preferred)
- Particular or General Scholarships
- Parish Grade School (or “the religious education of the youth of the parish”)
- Church Building Preservation
- Perpetual Care of the Parish Cemetery
- The Saint Vincent de Paul Society
- Other specific purposes as detailed by the donor(s)

It is the responsibility of each parish to ensure that the proceeds of each endowment are used in accordance with the operating policy.

Endowment Operating Policies and any amendment(s) to those policies must be filed and held with all other important parish documents.

The Office of Stewardship and the Annual Catholic Appeal is happy to assist your parish with endowment information or to refer your parish to the Foundation if appropriate. Please contact the Executive Director of Stewardship and the Annual Catholic Appeal at 314-792-7680 to discuss which options may be best for your parish endowment.

Information on planned giving and endowments can also be found on the stewardship web site:

www.Archstl.org/stewardship

	This	Replaces
Section	10.4	11.4
Page	1 of 19	1 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

ARCHDIOCESE OF ST. LOUIS CHARITABLE CONTRIBUTION REPORTING GUIDELINES

INDEX

- I. CHARITABLE CONTRIBUTION REPORTING GUIDELINES**
 - A. Donations Deductible/Substantiation Required
 - B. Donee Substantiation Responsibility
 - C. Legislative Background
 - D. Care and Caution Required/Penalties
 - E. Less Common Types of Donations
- II. SUBSTANTIATION REQUIREMENTS FOR CHARITABLE CONTRIBUTIONS**
 - A. The Rules
 - B. Implementation of Substantiation Procedures and Forms
- III. EXAMPLES OF COMMON SITUATIONS**
 - A. Example (1)
 - B. Example (2)
 - C. Example (3)
 - D. Example (4)
 - E. Example (5)
 - F. Example (6)
 - G. Example (7)
 - H. Example (8)
- IV. GUIDELINES FOR DISTINGUISHING TUITION PAYMENTS FROM CHARITABLE CONTRIBUTIONS**
 - A. General Rules
 - B. Non-Tuition Schools
 - C. Tuition Schools
 - D. Charitable Contributions in Excess of Tuition or Required Contributions
- V. WEDDING, BAPTISM AND FUNERAL GIFTS**
- VI. ADDITIONAL ASSISTANCE**
- ATTACHMENTS**

	This	Replaces
Section	10.4	11.4
Page	2 of 19	2 of 19
Date	3/10/17	07/01/15

10.4 Charitable Contributions

I. **CHARITABLE CONTRIBUTION REPORTING GUIDELINES**

- A. Donations Deductible/Substantiation Required.** Donations to Archdiocesan parishes and organizations generally are deductible by the donors for income tax purposes. In many if not most situations, the donor will be required to have documentation of the gift from the charity in order to deduct the gift. Such documentation is referred to as *substantiation* in the context of charitable income tax deductions. The type of substantiation required depends on the amount and nature (cash or property) of the gift.

- B. Substantiation Responsibility.** It is the donor's responsibility to do all things necessary to secure the charitable deduction. By virtue of the substantiation rules imposed under the federal tax code, however, charities must assist in the process. Compliance with the substantiation rules is very important. Failure to comply may result in the denial of deductions for donors and the imposition of significant penalties on charities and their pertinent agents and employees.

Pursuant to the Archdiocesan Planned Giving Policies, parishes and organizations are responsible for the proper and timely substantiation of gifts made to them that require substantiation, with two exceptions: (1) the Archdiocesan Finance Office is responsible for the substantiation of gifts of marketable securities made to any Archdiocesan parish or organization; and (2) the Archdiocesan Office of Stewardship & the Annual Catholic Appeal is responsible for the substantiation of all gift annuities established through the Archdiocese.

All monetary gifts (e.g., cash, check, direct deposit, credit card), must be substantiated regardless of the amounts. Please see section 11 for more detailed information.

- C. Care and Caution Required/Penalties.** Parishes and organizations must exercise care in preparing and issuing substantiation materials. A charitable organization that knowingly provides a false written substantiation to a donor may be subject to penalties for aiding and abetting the donor with the understatement of tax liability. Similar penalties also may be imposed on individuals who knowingly participate in the process.

Penalties are also imposed on charities that fail to make required quid pro quo disclosures, unless the failure is due to reasonable cause.

	This	Replaces
Section	10.4	10.4
Page	3 of 19	3 of 19
Date	3/10/17	07/01/15

10.4 Charitable Contributions

- D. Less Common Types of Donations.** Not all gifts take the form of cash or marketable securities. Some donors offer gifts of various types of property. Before accepting less common types of donations, parishes and organizations should contact the Archdiocesan Office of Stewardship and the Annual Catholic Appeal for guidance on acceptance and substantiation procedures. Less common types of donations would include:

IRAs (Individual Retirement Accounts),
 clothing,
 real estate,
 automobiles and boats,
 life insurance policies, and
 stock or equity in closely held corporations, family partnerships or LLCs.

Questions concerning such gifts should be directed to the Office of Stewardship and the Annual Catholic Appeal at 314-792-7680.

	This	Replaces
Section	10.4	10.4
Page	4 of 19	4 of 19
Date	3/10/17	07/01/15

10.4 Charitable Contributions

II. SUBSTANTIATION REQUIREMENTS FOR CHARITABLE CONTRIBUTIONS

A. The Rules

1. **The \$250 Rule.** A donor may not take a charitable deduction for any contribution of cash or property of \$250 or more unless he or she is furnished a *contemporaneous* written acknowledgement by the charity. A cancelled check or credit card receipt, for example, will not suffice.

The written acknowledgement must include the following information:

- (a) The amount of cash contributed;
 - (b) A description, **but not a valuation**, of any property other than cash contributed;
 - (c) A statement as to whether the charity provided any goods or services in return, in whole or in part, for the cash or property contributed; and
 - (d) A description and good faith estimate of the value of any such goods or services provided by the charity. (If no goods or services were provided, the acknowledgement must so state. Further, if the goods and services provided consist of *intangible religious benefits* exclusively, the acknowledgement must so state but need not place a value on the benefits.)
2. **Rule for All Cash Gifts (not just those of \$250 or more).** All cash gifts require substantiation in order to be deductible for income tax purposes, regardless of the amounts. No charitable deduction will be allowed for any monetary contribution (i.e., cash, check, direct deposit, credit card, wire transfer) unless the donor maintains as a record of such contribution:
 - (a) a bank record, or
 - (b) a written communication from the charitable organization showing (i) the name of the donee-organization, (ii) the date of the contribution, and (iii) the amount of the contribution. Cancelled checks (or copies of cancelled checks), direct deposit records on bank statements, wire transfer acknowledgements and credit card records should normally suffice as *bank records*.

Under prior law, substantiation requirements for contributions of less than \$250 were met if the donor personally maintained "other reliable records," like a diary or contribution log. Such records will no longer suffice. Thus, for example, a donation of a \$5 bill to the parish collection basket will need to be substantiated by a bank record or a written communication from the donee-parish in order to be deductible.

	This	Replaces
Section	10.4	11.4
Page	5 of 19	5 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

Intangible religious benefits are intangible benefits provided by religious organizations and are generally not sold in a commercial transaction. Examples include the admission of the donor to a religious ceremony or bread or wine that is provided at a liturgy.

The requirement that the acknowledgement be *contemporaneous* is met if it has been provided by the charity to the donor by the earlier of (i) the due date of the donor's income tax return (including extensions) or (ii) the actual date the donor files his or her return.

It is strongly recommended that all tax substantiation letters for a given year be received by the donor prior to January 31 of the following year.

3. **The \$75 Quid Pro Quo Rule.** Charities are also required to provide their contributors with written notifications concerning quid pro quo contributions in excess of \$75. Quid pro quo contributions are those contributions which are made partly as a contribution and partly in consideration for goods or services provided by the charity. A common example is a contribution in connection with a fundraising event that includes a dinner. Only that portion of the gift in excess of the goods or services received by the donor, like the dinner at the fundraising event, is deductible. A quid pro quo contribution does not include a donation that is made to a religious organization in return for *intangible religious benefits* (defined above) exclusively.

The required quid pro quo notification must contain—as part of the solicitation or the acknowledgement—a statement which:

- a. Informs the donor that the deductible amount of the contribution is limited to the amount of money and the value of any property contributed less the value of the goods or services furnished by the charity; and
- b. Provides the donor with a good faith estimate of the value of the goods or services furnished by the charity.

B. **Implementation of Substantiation Procedures and Forms**

Establish Procedures/Forms. Each parish or organization should establish procedures and adopt forms that will enable it to meet substantiation requirements. Suggested procedures and forms are set forth in the following sections.

1. **Timing of Substantiation/Retention of Copies.** A substantiation form should be sent to the donor as soon as possible but no later than the January following the year in which the gift is made. Statements to non-individual contributors (corporations, partnerships, etc.) should be issued upon receipt of the contribution because the taxable year of the non-individual contributor may end on a date other than December 31. Copies of any written acknowledgment statements sent to donors should be retained for seven years.

	This	Replaces
Section	10.4	11.4
Page	6 of 19	6 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

2. Monetary Contributions.

- a. **Track Donations.** Parishes and organizations should make reasonable attempts to track and substantiate all monetary gifts that can be traced to the donors, including gifts in weekly or other periodic envelopes and gifts in the forms of checks, direct deposits, wire transfers and credit card transfers. Envelopes or other material used to assist donors with monetary gifts should be prepared so as to enable the parish or organization to determine the name of the donor and the date and amount of each gift. With these envelopes or other materials, the parish or organization can generate a year-end written record of the gifts that will serve as substantiation for the gifts.
- b. **Substantiate All Monetary Gifts.** It is recommended that parishes and organizations adopt a practice of acknowledging all monetary gifts that can be tracked regardless of the amounts of the gifts and regardless of the forms of the gifts (cash in envelopes, checks, direct deposits, wire transfers or credit cards). Even though certain monetary gifts may not need to be acknowledged under the substantiation rules (e.g., the gift is in the form of a bank record, such as a check, and is under \$250 in amount), the consistent practice of acknowledging all monetary gifts will minimize the possibility of failing to issue necessary acknowledgements and will assist in maintaining good relationships with donors. Perhaps most importantly, substantiation of smaller gifts is a good stewardship practice, as it acknowledges the importance of all contributions. Of course, anonymous cash gifts, such as cash gifts to the parish collection basket that cannot be traced to the donor, are impossible to acknowledge.
- c. **Substantiation Forms.** For monetary contributions with no quid pro quo goods or services provided by the charity, the forms of acknowledgement set forth in ATTACHMENT 1 may be used. The first form should be used if the acknowledgement is for a single gift. The second form should be used for multiple gifts in the same year by the same donor; these can be aggregated on the same form.

4. **Non-Cash/Cash Contributions /Form of Substantiation.** For contributions of cash or property with no quid pro quo goods or services provided by the charity, the forms of acknowledgement set forth in ATTACHMENT 1 may be used. The first form should be used if the acknowledgement is for a single gift. The second form should be used if all gifts in a year are to be aggregated. As noted above, substantiation may not be required for all gifts, but acknowledgement of all gifts represents good stewardship practice.

	This	Replaces
Section	10.4	11.4
Page	7 of 19	7 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

4. Quid Pro Quo Gifts.

- a. **Campaigns or Events.** Each parish and organization should review the applicability of the disclosure requirements to each campaign or event that solicits or receives contributions and provides goods or services to the donors in return. Common examples of quid pro quo events are fundraising dinners and auctions.
- b. **Disclosure Requirements.** The disclosure requirements associated with quid pro quo gifts can be included as part of the solicitation or the acknowledgement. Many fundraising events involve the solicitation or receipt of quid pro quo contributions which require a disclosure statement. In most cases the disclosure requirement can be met by including the relevant information on the ticket to the event or including the information in the solicitation letter for the event.
- c. **Forms.** If the contribution is \$250 or more or the payment is made in the form of currency, see the form in ATTACHMENT 3.

For quid pro quo contributions in which the donor has paid in excess of \$75, the form of acknowledgement set forth as ATTACHMENT 2 may be used, provided the contribution is less than \$250 and the method of payment is in the form of a check, direct deposit or credit card. While ATTACHMENT 2 may be used when the gift is less than \$250, ATTACHMENT 3 is recommended to conform with good stewardship practice of acknowledging all gifts. The actual form of this statement may be modified to fit the circumstances.

- d. **Charity Auctions.** In the case of a charity auction, the auction manual describing the various items can be the disclosure form. Each item should be given a value determined in good faith by the charity and there should be included in the manual the statement regarding deductibility: "The amount of your contribution deductible for federal income tax purposes is limited to the excess of the amount contributed over the estimated value of the goods and services as indicated in this manual." In the case of an auction at which the purchaser has made a contribution of \$250 or more (i.e., the purchaser paid an amount that is \$250 (or more) greater than the aggregate value of the items he or she bought), the purchaser should receive a dual purpose acknowledgement and disclosure form or letter. (See ATTACHMENT 3 for an example.)

	This	Replaces
Section	10.4	11.4
Page	8 of 19	8 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

Additionally, in the case of items donated to an auction, it is not the obligation of the charity to establish the donor's value of the contribution. However, the charity has the obligation of establishing a value of the items in order to report the quid pro quo contributions of the purchasers. There should be a consistency between the value of the item reported by the donor on his or her tax return and the value reported by the charity to the purchaser. Further, it is good stewardship practice to acknowledge all gifts, regardless of size.

- e. **Fundraising Events.** In the case of a fundraising dinner, a golf tournament or any other event, the invitation or the admission ticket provided by the charity should contain the information from the sample form in ATTACHMENT 2. In determining the "value" of the goods or services furnished, the charity must include the fair market value of all items or services provided to the donor whether or not donated by another. The value should be based on what is received by the donor and his or her guests. It should not include the fundraising costs of the charity such as the cost of invitations or an allocation of staff and overhead costs. The value must be determined and documented in a manner that can later be justified, if necessary, to the Internal Revenue Service. Please note that if an individual donor contributes in excess of \$75, the disclosure statement should be given even if individual ticket prices are \$75 or less.

	This	Replaces
Section	10.4	11.4
Page	9 of 19	9 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

III. EXAMPLES OF COMMON SITUATIONS

The examples provided in this section are intended to illustrate the application of substantiation rules to common situations confronting parishes and organizations. The examples indicate the minimum compliance required in the particular situation. **It is good stewardship practice and strongly recommended, however, that parishes and organizations provide contributors with acknowledgements for all gifts, even in situations in which substantiation is not required.**

As a matter of good practice, some charitable organizations will provide acknowledgements for all gifts from a donor during the calendar year, regardless of the total value or amount, in the forms set forth in ATTACHMENT 1, as modified to fit the particular circumstances. This is both efficient for the organization and helpful to the donor.

A. Example (1).

A parish or organization receives a \$50 check from a donor. The donor receives no goods or services in consideration for the contribution other than an intangible religious benefit. In order to deduct the gift, the donor will require substantiation. The check will serve as such substantiation. If the parish or organization tracks such gifts, a written statement from the parish or organization showing (i) the name of the parish or organization, (ii) the date of each contribution from the donor, and (iii) the amount of each contribution will also serve as substantiation. Even though it is not required, acknowledging such a gift is a good stewardship practice. The parish or organization is not required to issue a quid pro quo statement.

B. Example (2).

A parish or organization receives a \$300 check from a contributor who requests that a mass be offered on behalf of his deceased wife. The parish or organization should send the contributor a contemporaneous written acknowledgment that includes a statement that only an intangible religious benefit was provided. (See ATTACHMENT 1, Form 1 for an example.)

C. Example (3).

A parish or organization receives a non-cash contribution of a television from an individual for sale in the school's upcoming auction. If the fair market value ("FMV") of the television is less than \$250, the contributor is not required to obtain a contemporaneous written acknowledgment to substantiate a deduction for the charitable contribution. The parish or organization is not required to issue a quid pro quo statement.

If the FMV of the television is \$250 or more, the contributor is required to obtain a contemporaneous written acknowledgment to substantiate a deduction for the charitable contribution. The written acknowledgment must include a description of the property, but should not include the value of the property. The parish or organization is not required to issue a quid pro quo statement. (See ATTACHMENT 1, Form 1 for an example.)

	This	Replaces
Section	10.4	11.4
Page	10 of 19	10 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

While acknowledgement is only required for the gift of \$250 or more, it is good stewardship practice to acknowledge all such gifts.

D. Example (4).

In order to raise funds, a charity plans a dinner dance. The price of the tickets is set at \$30 per person. The FMV of the dinner and entertainment per ticket is \$20. An individual purchases two tickets for \$60 in the form of a check. The contributor is entitled to claim a charitable contribution deduction to the extent that the cost of the tickets exceeds the FMV of the dinners and the entertainment (\$10 per ticket). The contributor is not required to obtain a contemporaneous written acknowledgment to substantiate the deduction; the check, as a bank record, will serve as substantiation. The charity is not required to issue a quid pro quo statement because the amount received is not in excess of \$75.

If an individual purchases two tickets for \$60 at the door with cash currency instead of a check, the charity should issue a written acknowledgement providing its name, the date of the contribution and the amount of the charitable contribution (\$20 in this example). A receipt by the charity at the door would suffice.

While it is not required by law, it is a good stewardship practice to acknowledge all such gifts.

E. Example (5).

The facts are the same as Example (4) except that the price of the tickets is \$50 per ticket. The contributor is entitled to a charitable contribution deduction to the extent the cost of the tickets exceeds the FMV of the dinners and entertainment (\$30 per ticket). The contributor is not required to obtain a contemporaneous written acknowledgment to substantiate the deduction; the check, as a bank record, will serve as substantiation. The charity is required to issue a quid pro quo statement because the amount received is in excess of \$75. The quid pro quo statement must include a good faith estimate of the FMV of the dinners and the entertainment. (See ATTACHMENT 2 for an example.)

While it is not required by law, it is a good stewardship practice to acknowledge all such gifts. (See ATTACHMENT 3 for an example.)

F. Example (6).

A raffle of a car is conducted to raise funds for a school. An individual purchases one ticket at a cost of \$100. The individual is not entitled to a charitable contribution deduction. The Internal Revenue Service does not consider amounts paid for chances to participate in raffles as charitable contributions. This is true whether the car is donated to the school or purchased with the proceeds from the raffle. It is also true if the raffle ticket is obtained by paying an amount ostensibly for some other purpose (i.e., a membership in a "society" or "club").

	This	Replaces
Section	10.4	11.4
Page	11 of 19	11 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

G. Example (7).

An individual purchases a trip to Hawaii for \$5,000 at an auction to raise funds for a charity. The trip includes hotel and airfare which were contributed by a different individual. The FMV of the trip is \$4,000. The individual is entitled to a \$1,000 charitable contribution deduction because the purchase price exceeds the FMV of the trip. In order to substantiate the charitable contribution for the gift of \$250 or more, the individual must obtain a contemporaneous written acknowledgment of the gift. The charity must issue a quid pro quo statement with respect to receipt of the \$5,000. (See ATTACHMENT 3 for an example.)

H. Example (8).

An individual purchases a basketball jersey for \$50, using a credit card, at an auction to raise funds for a charity. The FMV of the jersey is \$30. The individual is entitled to a \$20 charitable contribution deduction. No contemporaneous written acknowledgment is required; the credit card record will serve as substantiation. The charity is not required to issue a quid pro quo statement because the amount received is not in excess of \$75.

While it is not required by law, it is a good stewardship practice to acknowledge all such gifts.

In situations similar to several of the foregoing examples in which substantiation is not legally required, parishes and organizations are encouraged to provide acknowledgements and quid pro quo disclosures nonetheless.

	This	Replaces
Section	10.4	11.4
Page	12 of 19	12 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

IV. **GUIDELINES FOR DISTINGUISHING TUITION PAYMENTS FROM CHARITABLE CONTRIBUTIONS**

A. **General Rules.**

Parishes and schools often confront the issue of whether a payment is a deductible charitable contribution or a non-deductible tuition payment. Each parish and school should review its method of addressing this question in light of the contribution and substantiation requirements discussed in the previous sections of these guidelines. With the reporting requirements placed on charities it is important that legal requirements be understood and followed.

Failure to comply with the contribution substantiation and disclosure requirements may subject the parish, the school, the pastor, the principal and other responsible persons to significant penalties. Additionally, providing a person with a written acknowledgment of "charitable contributions" could expose the pastor, school principal and other responsible persons to fines if some or all of the "contributions" are considered tuition under the Internal Revenue Service guidelines.

In order to give guidance as to whether payments to the parish or school are to be treated as deductible contributions or as non-deductible tuition, we have divided schools into "Non-Tuition Schools" and "Tuition Schools." We have also included a section addressing the question of under what circumstances would contributions to a parish or school by parents with children enrolled in a Tuition School be deductible.

B. **Non-Tuition Schools.**

A *Non-Tuition School* is operated from general revenues without tuition being charged or "contributions" being required from parents. The school is financed entirely by free-will, voluntary contributions, along with fees. Such voluntary contributions to a parish or school that operates a Non-Tuition School are treated as charitable donations. Contributions should be substantiated as provided in the previous sections of these guidelines. No quid pro quo disclosure statements for voluntary contributions are required since the contributions are not considered to have been made in exchange for goods or services from the parish or school.

The below listed criteria must be met for a school to be a Non-Tuition School:

- The school must receive its support from the general revenues of the parish, a group of parishes or other supporting organizations and/or voluntary contributions and not from tuition payments.
- There can be no plan or contract, express or implied, by which parishioners or others make contributions in return for schooling.
- Contributions may not be earmarked for particular students.

	This	Replaces
Section	10.4	11.4
Page	13 of 19	13 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

- Contributions must be solicited generally from the parishioners and/or others with no additional pressure being placed on parents or others with children in the school.
- Enrollment of students in the school may in no way, expressed or implied, be contingent on contributions to the parish or school.
- None of the literature or the statements made to parents or others may contain anything that would indicate an intent or expectation of the parish or school to receive contributions in lieu of charging tuition.
- There must be no withholding of grades or transcripts or denial of participation in school activities for children whose parents or others have not made contributions to the parish or school.
- Payments for books or uniforms or of fees for music, athletic or other programs are not considered to be contributions to the school, whether a Non-Tuition or Tuition School.
- Tuition may be charged for children whose parents are not parishioners.

C. Tuition Schools.

Any school that does not qualify as a Non-Tuition School is a Tuition School. This is the case irrespective of whether the school charges tuition as such or is supported entirely through payments referred to as voluntary contributions, which, in fact, are not voluntary.

The following additional points should be understood regarding Tuition Schools:

- No payment to the parish or school which is an expressed or implied prerequisite, condition, requirement or expectation for a child to attend the school is considered a tax deductible contribution. All such payments are considered to be tuition.
- The fact that parents and others are expected to pay only according to their means, or that persons who cannot afford to pay are not required to do so, does not change the fact that required payments or contributions from parents who can afford to make them are not tax deductible contributions.
- In a parish with a Tuition School, only contributions made in accordance with the section entitled "Charitable Contributions in Excess of Tuition or Required Contributions" of these guidelines are tax deductible contributions.
- In order to avoid confusion and giving mixed messages to parishioners, which could result in an inadvertent, but nonetheless serious, tax problem, it is suggested that parishes with Tuition Schools call those payments which are required or expected to be made "tuition" and not label them as "contributions."

	This	Replaces
Section	10.4	11.4
Page	14 of 19	14 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

D. **Charitable Contributions in Excess of Tuition or Required Contributions**

Parents of children attending a Tuition School often make contributions to the parish or the school over and above tuition or required contributions. Any such contributions are considered by the Internal Revenue Service to be tax deductible. The following should be noted:

- If the parish or school makes it clear what is tuition or what payments are required, then any free will contribution over that payment will be a tax deductible contribution, even if made by a parent with children in the school.
- Tax deductible contributions could be in the form of weekly or other periodic contributions to the parish or school or contributions to fundraising events of the parish or school.
- Parishioners should use separate checks for their tax deductible contributions and their tuition payments. If parents make out a single check combining contributions with tuition payments, then the parish should subtract the tuition portion from the amount of the check and report only the remainder as a charitable contribution.

V. **WEDDING, BAPTISM and FUNERAL GIFTS**

- A. **Set Fee or Suggested Gift (“Stole Fees”)**. Parishes sometimes charge a set fee or request a “suggested gift” for the performance of weddings, baptisms and funerals. Such fees or gifts are sometimes referred to as “stole fees.” These set fees or suggested gifts should not be treated as deductible charitable contributions, but as payments to parishes for the use of their facilities. Parishes should not acknowledge set fees or suggested gifts with tax substantiation forms or letters.
- B. **Payments greater than Set Fee or Suggested Gift**. If a donor makes a contribution to a parish for the performance of a wedding, baptism or funeral in an amount greater than the set fee or suggested gift for the event, the parish should treat the excess (the “gift portion”) as a charitable contribution and provide the donor with a tax substantiation form or letter acknowledging the gift portion as a charitable contribution. For example, if the set fee for a wedding is \$100 and the donor makes a contribution to the parish of \$400 for the wedding, the parish should provide the donor with a standard tax substantiation form or letter acknowledging a charitable contribution of \$300. (ATTACHMENT 1, Form 1 may be used for this purpose.)

	This	Replaces
Section	10.4	11.4
Page	15 of 19	15 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

- C. Parishes without Set Fees or Suggested Gifts.** A parish that does not seek or request set fees or suggested gifts for the performance of weddings, baptisms and funerals should treat all contributions made in connection with such events as charitable contributions and should provide tax substantiation forms or letters to the donors recognizing the full amount paid as charitable contributions. (ATTACHMENT 1, Form 1 may be used for this purpose.) For such contributions to be fully deductible, there must be no expressed or implied set fee or suggested gift arrangement with the donor. The contributions must be “free will” offerings in their entirety. Parishes not seeking or requesting set fees or suggested gifts likely will be able to demonstrate, over time, that people who make contributions for such events do so in varying amounts, and that some people may make no such contributions at all.

VI. ADDITIONAL ASSISTANCE

For further information relative to specific questions, please contact any of the persons listed below. In order to avoid conflicting and possibly erroneous interpretations, please do not make a decision based on the advice of others without first obtaining the advice or input of one of these representatives of the Archdiocese.

Controller of the Archdiocese of St. Louis	314-792-7111
General Counsel for the Archdiocese of St. Louis	314-792-7075
Chief Financial Officer of the Archdiocese of St. Louis	314-792-7280
Executive Director of Stewardship and the Annual Catholic Appeal Archdiocese of St. Louis	314-792-7681
Superintendent of Catholic Education	314-792-7302

	This	Replaces
Section	10.4	11.4
Page	16 of 19	16 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

ATTACHMENT 1

Form 1

Sample Single Gift Acknowledgement

Date: _____

This acknowledgement of your contribution to (donee organization) is provided pursuant to Section 170(f) of the Internal Revenue Code.

Name of Contributor: _____

Address of Contributor: _____

Date of Contribution: _____

Amount of Cash Contribution: \$ _____

Description of Non-Cash Contribution: _____

The donee organization either did not provide any goods or services in whole or partial consideration for the above contribution or provided only intangible religious benefits.

Thank you for your generous support.

	This	Replaces
Section	10.4	11.4
Page	17 of 19	17 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

Form 2

Sample Aggregate Annual Giving Acknowledgement

Date: _____

This acknowledgement of your contributions to (donee organization) for 20____ is provided pursuant to Section 170(f) of the Internal Revenue Code.

Name of Contributor: _____

Address of Contributor: _____

Total 20____ Contributions: _____

Included in your total annual 20____ contribution of \$_____ are the following contributions:

Amount: \$ _____ Date: _____

Amount: \$ _____ Date: _____

Amount: \$ _____ Date: _____

Amount: \$ _____ Date: _____

The donee organization either did not provide any goods or services in whole or partial consideration for the above contribution or provided only intangible religious benefits.

Thank you for your generous support.

	This	Replaces
Section	10.4	11.4
Page	18 of 19	18 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

ATTACHMENT 2

Sample Quid Pro Quo Disclosure Statement

Date: _____

In consideration of your contribution, you were provided the following goods and services:

The estimated value of these goods and services is \$ _____

The amount of your contribution deductible for federal income tax purposes is limited to the excess of the amount contributed over the estimated value of the goods and services as indicated above.

Thank you for your generous support.

Sample Ticket

ST. JOHN'S DINNER DANCE

MARCH 19, 2007

ADMISSION: \$80/PERSON

VALUE OF DINNER AND ENTERTAINMENT: \$35/PERSON

YOUR CONTRIBUTION IN EXCESS OF THE VALUE OF THE DINNER AND ENTERTAINMENT IS DEDUCTIBLE.

	This	Replaces
Section	10.4	11.4
Page	19 of 19	19 of 19
Date	07/01/15	11/01/12

10.4 Charitable Contributions

ATTACHMENT 3

Sample Dual Purpose Acknowledgement and Disclosure

Date: _____

This acknowledgement/disclosure of your contribution to (donee organization) is provided pursuant to Sections 170(f) and 6115 of the Internal Revenue Code.

Name of Contributor: _____

Address of Contributor: _____

Date of Contribution: _____

Amount of Cash Contribution: \$ _____

Description of Non-Cash Contribution: _____

In consideration for your contribution, you were provided the following goods and services:

The estimated value of these goods and services is \$ _____

The amount of your contribution deductible for federal income tax purposes is limited to the excess of the amount contributed over the estimated value of the goods and services as indicated above.

Thank you for your generous support.

	This	Replaces
Section	10.5	11.5
Page	1 of 2	1 of 2
Date	07/01/15	11/01/12

10.5 Gifts of Real Estate to Parish

Donation of Real Estate to Parish

Office of Stewardship & the Annual Catholic Appeal Will Assist/Archbishop Must Approve.

If a donor expresses an interest in donating developed or undeveloped real estate to a Parish as a general gift, or in connection with a capital campaign, or an endowment campaign, or for any other purpose, the Pastor, before responding to the donor, should contact the Office of Stewardship & the Annual Catholic Appeal for assistance. The Office of Stewardship and the Annual Catholic Appeal will coordinate the various offices that will need to be involved in evaluating the potential donation.

A parish may not agree to accept a gift of real estate without the prior approval of the Archbishop.

Donated Real Estate May Benefit Parish or Archdiocese. The Parish may be able to use the subject real property, or sell it if it is marketable. If the Pastor decides that the Parish would not benefit from the proposed real estate gift, the Archdiocese will determine whether it can use the property for some other purpose within the Archdiocese. If it can, the Parish would accept the real estate gift and the Archdiocese would pay the Parish for the property by crediting the appropriate account of the Parish (e.g., its general account, capital campaign account, endowment fund account) with funds equal to the market value of the property, less the costs incurred by the Archdiocese in accepting the gift (see below).

Real Estate Gift Policies. The pertinent policies and procedures concerning the acceptance of real estate gifts by Parishes and other Archdiocesan organizations are set forth in the Archdiocesan *Planned Giving Policies* (the "Policies"). The Office of Stewardship & the Annual Catholic Appeal, together with the Archdiocesan Chief Financial Officer ("CFO") and Office of Building & Real Estate, will guide and assist the Pastor through the real estate gift acquisition process in compliance with the Policies, and will work with the Pastor in analyzing the suitability of the donation. The subject property will be scrutinized in terms of (i) its location, size and condition in relation to the Parish and other parishes, (ii) the potential of its addressing other needs within the Archdiocese, and (iii) its marketability.

Property Will be Inspected/Costs. The physical condition, environmental condition and title of the subject property will be inspected and reviewed as determined by the CFO and Office of Building & Real Estate. As set forth in the Policies, the donor might be encouraged in some cases to pay some or all of the costs of obtaining the necessary information and reports about the property. For example, the donor will typically be asked to pay the costs associated with a basic (Phase I) environmental study of the subject property if such study is deemed necessary by the Archdiocese. The entity ultimately making use of or benefiting from the gifted property (e.g., the Parish or Archdiocese) will pay any costs not borne by the donor.

Final Approval/Title. As stated above, the final authority pertaining to the acceptance or rejection of the donation shall rest with the Archbishop, who typically will act on these matters through the CFO. The Archbishop will also make the final determination on any requirements or conditions placed on the donation.

Title to all property donated to a Parish or the Archdiocese shall be held in the Catholic Real Estate Trust of the county in which the property is located.

	This	Replaces
Section	10.5	11.5
Page	2 of 2	2 of 2
Date	07/01/15	11/01/12

10.5 Gifts of Real Estate to Parish

Donated Property Accepted for Archdiocese. If the donated property is to be retained for use by the Archdiocese, then, after the property is conveyed to the pertinent Catholic Real Estate Trust, the Archdiocese shall transfer to the appropriate account of the Parish an amount of funds equal to the fair market value of the property less all costs incurred by the Archdiocese relative to the acquisition of the property. The Office of Building & Real Estate shall obtain an appraisal to determine the fair market value of the property unless the Pastor and the CFO agree that an appraisal is unnecessary. The Archbishop, acting through the CFO, shall make the final determination on the fair market value of gifted property.

Parish Recognizes, Acknowledges and Substantiates Gifts. Regardless of whether the gifted real property is used or sold by the Parish or used by the Archdiocese, the Parish shall recognize the donation on its records and acknowledge the donor for the donation. The Parish, in consultation with the Archdiocesan Finance Office, shall be responsible for providing the donor with the proper tax substantiation letter for the gift and completing all required tax forms (e.g., IRS Forms 8282 and 8283).

Gifts of Remainder Interests in Real Property. A specific type of charitable real property gift that is gaining popularity is the gift of the *remainder interest* in the real property, pursuant to which the subject property passes to the charity upon the death of the donor, or the death of the survivor of the donor and one or more persons, typically the donor's spouse. Such gifts to parishes must also be approved by the Archbishop before acceptance. The gift acceptance process for these types of gifts will follow closely the process set forth above. If approached about this type of gift, the Pastor should contact the Office of Stewardship and the Annual Catholic Appeal for assistance.

	This	Replaces
Section	10.6	11.6
Page	1 of 3	1 of 3
Date	11/01/12	11/01/11

10.6 Electronic Offertory Giving

The Benefits

Electronic Offertory programs have been proven to be beneficial for both parishes and donors. Here are just a few of the many benefits.

Benefits for the Parish

- Parishioners using an automated giving system **increase their giving substantially**. The range of individual increase is 35%-75%. This increase occurs because donors are able to consistently give the amount that they want to give. Research also shows that those who plan and give their gifts monthly give 40% more than those who give whatever they want on a week-by-week basis.
- **Important stewardship lessons** – such as giving to God first, giving a planned and consistent amount and seeing the Offertory as a financial obligation – are reinforced.
- Parishioners' **gifts are given consistently** – meeting **both** their intention to give and the parish's needs.
- The parish has a **steady and predictable flow of income**, even during summer months when giving drops because of vacations or winter months when giving drops because of bad weather or sickness.
- **Special parish and Archdiocesan collections** are also covered, which is not the case if a parishioner simply arranges with his or her own bank to transfer a monthly Offertory gift to the parish.
- The parish often has the option to **add new giving opportunities** at any time, such as for a parish, family or community emergency.

Benefits for the Donor

- Parishioners can give in a way that is **most efficient for them**. Many parishioners complain that the check to the parish is the only check that they have to write every month because all other financial matters are handled electronically.
- Parishioners can use **credit cards** – which many families prefer for security, ease of bill paying and rewards programs. (50%-65% of EOG givers use credit cards.)
- Parishioners can give in the same way that they are paid, usually **monthly** or semi-monthly.
- Parishioners can **manage all of their giving at one time**. They can plan and designate their contributions for all special collections and extra parish collections at the same time that they pledge their regular Offertory gift. This reduces the feeling that the parish is always asking for money and gives a better understanding of all of the needs.

	This	Replaces
Section	10.6	10.6
Page	2 of 3	2 of 3
Date	3/10/17	07/01/15

10.6 Electronic Offertory Giving

The Risks

The risks that exist when dealing with Electronic Offertory depend on the type of service the parish uses. **There are more serious risks if the parish is handling the program in-house.**

*** Important note:** By carefully reviewing the business practices, audit reports, insurance programs and security compliance of selected vendors, the Archdiocese **has made every attempt to limit these risks for parishes who use one of the vendors that have been reviewed** by the Archdiocesan Offices of Finance, Internal Audit, Risk Management and Stewardship. A list of the vendors reviewed by the Archdiocese of St. Louis is available by contacting the Office of Stewardship and the Annual Catholic Appeal at 314-792-7215.

Risks If the Parish Is Using an Outside Vendor*

- If the vendor holds the parish funds for a period of days, there is a risk that during the time those funds are in the possession of the vendor the funds could be lost, stolen or frozen due to bankruptcy, theft or close of business. Adequate precautions and insurance on the part of the vendor can minimize this risk.
- If the vendor co-mingles the funds from one diocese with the funds from other dioceses there is a slight risk that all funds could be frozen should any of the represented dioceses be involved in litigation that would cause freezing of that diocese's funds.
- If the vendor does not have adequate security, there is a risk that hackers could steal actual funds or the identity of donors or the parish.

Parishes should not attempt to create an in-house electronic giving program, as the risks are unacceptable.

Risks If the Parish Is Attempting to Handle the Process In-House

- Parishes that initiate an ACH debit against a donor's account assume serious responsibilities. Among these are requirements for disclosures and resolution of errors within a defined timeline. Failure to comply with the requirements of the National Automated Clearing House Association (NACHA) could lead to penalties for the parish.
- Security issues are a major concern. Any fraud on a parishioner's bank account could greatly undermine the trust that the entire parish community places in the parish office. By handling parishioners' banking information, the parish is adding itself to the "list of possible suspects" should any parishioner experience credit card or banking fraud or theft in any way or from any source. This could have a negative impact on all giving.
- Parish offices are not able to allow donors access to the online giving system since parish computer systems do not meet the necessary security requirements. The costs for achieving and maintaining the acceptable level of security are prohibitive. Thus all data entry must be done by staff.
- By handling and storing parishioners' financial information in the parish office, the parish incurs the risk and liability of fraud or theft from any staff member or volunteer who may be able to obtain access to the information.

	This	Replaces
Section	10.6	10.6
Page	3 of 3	3 of 3
Date	3/17/17	07/01/15

10.6 Electronic Offertory Giving

Archdiocesan Observations

In light of the benefits and the risks, the Archdiocese of St. Louis offers the following observations regarding Electronic Offertory and online giving.

- All parishes should carefully consider the benefits of using an Electronic Offertory Giving program. Most parishes are most likely to benefit from Electronic Offertory.
- If you think that online giving could be beneficial in your parish community, contact the Office of Stewardship and the Annual Catholic Appeal at 314-792-7680 for assistance.
- Take advantage of the fact that professional representatives from several Archdiocesan offices and legal counsel have all been involved in the due diligence review of the vendors that appeared to offer the best options for our parishes. However, also be sure to ask your own questions about security, insurance and business practices. These issues can change quickly with any individual vendor.
- Use the expertise of parishioners who are familiar with the many aspects of online funds transfers to assist you in this decision.
- **Do not allow any parishioner or parish staff person to attempt to create or establish an in-house system for your parish. The risks are overwhelming.**
- Parishes **should not attempt to set up a new** in-house Electronic Giving program that requires any member of the parish staff or any volunteer to be directly involved in entering parishioners' banking or credit card information, or storing this information in the parish office or on the parish computers.
- If your parish is currently administering an in-house electronic giving program, be sure that at least two members of your staff understand the process and that proper checks and balances are in place. Carefully review the risks outlined on the previous page and consider whether using an outside vendor might be a more secure choice for the parish and a more attractive alternative for the donor. All parishes are strongly encouraged to use a professional vendor for this service. Although initial costs may seem higher, professional services are much more donor-friendly than in-house programs. **Because outside vendors offer more security, flexibility and confidentiality, more parishioners are inclined to use these services, thus increasing your online giving revenue and justifying the higher costs.**
- Depending on the questions or concerns that you may have regarding your online giving options, please feel free to contact:
 - **Sally Serbus – 314-792-7716**
 - **The Finance Office – 314-792-7129**
 - **Internal Audit – 314-792-7133**
 - **Office of Risk Management – 314-792-7203**
 - **Stewardship and the Annual Catholic Appeal – 314-792-7680**
- For a current list of approved vendors contact the Office of Stewardship and the Annual Catholic Appeal at 314-792-7680 or check out Electronic Offertory at www.archstl.org/stewardship.

	This	Replaces
Section	10.7	New
Page	1 of 1	New
Date	11/01/12	New

10.7 Recording Yearend Offertory Gifts

When January 1 falls on a Sunday, offertory gifts received on Saturday, December 31, should be posted to the donor contribution records as of that date in the expiring year. Offertory gifts received on Sunday, January 1, should be recorded in the contribution records of the new year.