

Guidelines for Recording Donations  
In ParishSoft

**Contributions:      Weekly Envelope Collection, Christmas, Easter, Holy Days**

Contributions should be entered in to ParishSoft from contribution envelopes or loose checks once they are verified as registered parishioners (see **Appendix A Verifying Registered Parishioners**).

All transactions are considered tax deductible contributions. Because of the tax implications, all transactions in this category must be accurate. All transactions recorded must be the result of a deposit. The parish is not required to keep track of loose checks received from non-registered parishioners for tax purposes. The IRS places the responsibility of maintaining records of contributions on the donor.

It is not necessary to have separate funds in ParishSoft for each of these categories, but each individual location can determine whether they want to set up separate funds or opt for just one fund in this category. If the funds are set up separately, the total from each type is more easily compared to the amount recorded in the general ledger. **The total amount recorded in ParishSoft should always be verified against the corresponding weekly count sheet in either case.**

Parishes are not required to create a ParishSoft fund called 'loose checks' or 'no name family' to keep track of loose checks and/or plate donations, although they may opt to do so for parishioner registration purposes.

At no time should anyone go directly to a parishioner's record and add or subtract a transaction. All transactions must be made through the normal entry process and should always agree with the General Ledger transactions.

Guidelines for Recording Donations  
In ParishSoft

**Pledge Drive at the Parish Level:      Pledge, Pledge Payments, Pledge Balance**  
**(includes pledges for an *approved* building fund if applicable)**

Pledges should be entered from a source that would reflect an amount that a registered parishioner pledges. Funds should be entered from envelopes that are being used for specific pledge drives.

Only the actual transactions received are considered tax deductible contributions. Pledges are not tax deductible until payment is received. Because of the tax implications, all transactions in this category must be accurate. All transactions recorded must be the result of a deposit.

Parishes are not required to create a ParishSoft fund called 'loose checks' or 'no name family' to keep track of loose checks and/or plate donations, although they may opt to do so for donation tracking purposes.

At no time should anyone go directly to a parishioner's record and add or subtract a transaction. All transactions must be made through the normal entry process and should always agree with the General Ledger transactions.

**DDF Contributions:      DDF Pledge, DDF Pledge Payments, DDF Pledge**  
**Balance**

All DDF pledges and contributions are tracked by the Diocese of San Bernardino. The donation and donor information should be forwarded to the Diocesan Development office for recording.

If the parish receives checks for DDF payable to the parish & cash, the parish should deposit the donations and forward a single parish check along with the donor information to the Diocesan Development office for processing within 30 days.

The DDF contributions should not be reported by the parish at the end of the year for tax deductions as the Diocese will acknowledge those contributions.

Guidelines for Recording Donations  
In ParishSoft

**Misc. Donations:**            **Non-specific donations that are given directly to the Parish or through the mail, etc.**

Donations received should be given to the collection counters to include in the weekly deposit. The donation should be marked on the weekly count sheet as a misc. or as a non-designated donation (Recommended chart of account #4263).

All transactions are considered tax deductible contributions. Because of the tax implications, all transactions in this category must be accurate. All transactions recorded must be the result of a deposit.

At no time should anyone go directly to a parishioner's record and add or subtract a transaction. All transactions must be made through the normal entry process and should always agree with the General Ledger transactions.

**Religious Education:**        **Payment of Religious Education Fees, Balance of Religious Education Fees**

These fees are **NOT** tax deductible and may not be reported at year-end.

We encourage the parishes to use the religious education billing module of ParishSoft as part of best practices and to strengthen internal controls.

**Missions:**                    **Propagation of the Faith/Membership Sunday, Missionary Cooperation Plan (MCP), Holy Childhood Association (HCA), Lenten Appeal, Advent Appeal, World Mission Sunday, Good Friday – Holy Land, Holy Thursday – Rice Bowl, Summer Appeal, Calendar Appeal, Retirement for the Religious\*, Prolife,\*\* Diocesan Priest Retirement\*\*\* and Catholic Relief Services (CRS) – Disasters – earthquakes, floods, fires, hurricanes.**

Mission collection donations should be entered from contribution envelopes or loose checks if they are verified as registered Parishioners. The parish should deposit and record all cash/coin and checks made payable to the Parish. These donations should be recorded in the individual Parishioner's record.

Guidelines for Recording Donations  
In ParishSoft

**Misc. Diocesan Collections:**

**Retirement for the Religious** – Office of Religious and Consecrated Life

Parish checks for the Retirement for the Religious collection should be made payable to the Religious Retirement Fund and be forwarded to the Diocese of San Bernardino attn: Religious & Consecrated Life office.

If the parish deposits and processes the donations, the parish should forward a single parish check along with the donor information to the Religious & Consecrated Life office for processing. These donations should be recorded in the individual Parishioner's record.

Checks made payable to the Retirement for the Religious or the Diocese of San Bernardino should be immediately forwarded to the Religious & Consecrated Life for processing. The contributions sent directly to the Religious & Consecrated Life office should not be reported by the parish at the end of the year for tax deductions, as the Religious & Consecrated Life office will acknowledge these contributions.

The donations that were deposited and processed at the parish should be recorded in the ParishSoft system and reported by the parish at the end of the year for tax purposes.

**Sanctity of Human Life** – Office of Pro Life Catholic Ministries

Parish checks for the Sanctity of Human Life collection should be made payable to the Pro Life Catholic Ministry and be forwarded to the Diocese of San Bernardino attn: Pro Life Catholic Ministries office.

If the parish deposits and processes the donations, the parish should forward a single parish check along with the donor information to the Pro Life Catholic Ministry office for processing. These donations should be recorded in the individual Parishioner's record.

Checks made payable to the Pro Life Catholic Ministry or the Diocese of San Bernardino should be immediately forwarded to the Pro Life Catholic Ministries for processing. The contributions sent directly to the Pro Life Catholic Ministries office should not be reported by the parish at the end of the year for tax deductions, as the Pro Life office will acknowledge these contributions.

The donations that were deposited and processed at the parish should be recorded in the ParishSoft system and reported by the parish at the end of the year for tax purposes.

Guidelines for Recording Donations  
In ParishSoft

**Diocesan Retired Priest Collection** – Diocese of San Bernardino

Parish checks for the Diocesan Retired Priest collection should be made payable to the Diocese of San Bernardino and be forwarded to the Diocese attn: Accounting office.

If the parish deposits and processes the donations, the parish should forward a single parish check along with the donor information to the Diocesan accounting office for processing. These donations should be recorded in the individual Parishioner's record.

Checks made payable to the Diocese of San Bernardino should be immediately forwarded to the Diocesan accounting office for processing. The contributions sent directly to the Diocese should not be reported by the parish at the end of the year for tax deductions, as the Diocese will acknowledge these contributions.

The donations that were deposited and processed at the parish should be recorded in the ParishSoft system and reported by the parish at the end of the year for tax purposes.

Guidelines for Recording Donations  
In ParishSoft

**Other Diocesan Programs:      **Spring Combined Collection, Fall Combined Collection****

All Diocesan Combined Contributions are tracked by the Diocese of San Bernardino. The donation and donor information should be forwarded to the Diocesan accounting office for recording.

If the parish receives checks for Combined Collection payable to the parish and cash, the parish should deposit the donations and forward a single parish check along with the donor information to the Diocesan accounting office for processing within 30 days. The Diocesan Combined contributions should not be reported by the parish at the end of the year for tax deductions, as the Diocese will acknowledge these contributions.

**Summary**

In summary, the Pastoral Offices will acknowledge payments made directly to their Offices using the appropriate IRS format (Appendix B). The general rule for most collections is to have individual parishes track and send registered parishioners a tax acknowledgement letter at the end of the year. If a donation is sent directly to the Diocesan office, then that particular office will send the tax acknowledgement. In this case, if you would like to thank the contributors for their donation, please use the following recommended wording on your letter:

*For parishes and schools:*

"This is not an acknowledgement letter for tax purposes as your gift has been processed by the appropriate Office at the Diocese of San Bernardino. They will be responsible for the tax receipt/acknowledgement."

*For Diocesan Offices:*

"This is not an acknowledgement letter for tax purposes as your gift has been processed by the parish and will show on your annual contribution statement."

Guidelines for Recording Donations  
In ParishSoft

**Other Payments & Contributions**

Mass Intentions	Not Tax Deductible	Do not record
House Blessings	Not Tax Deductible	Do not record
CCD Fees	Not Tax Deductible	See Rel Ed Above
Weddings	Not Tax Deductible	Do not record
Funerals	Not Tax Deductible	Do not record
Baptisms	Not Tax Deductible	Do not record
Quinceañeras	Not Tax Deductible	Do not record
Votive Candles	Not Tax Deductible	Do not record
Calendars	Not Tax Deductible	Do not record
Donations for Flowers	Tax Deductible	Record to misc fund
Donations for the Needy	Tax Deductible	Record to misc fund
Gifts to priest	Not Tax Deductible	Do not record
Labor/Time at church	Not Tax Deductible	Do not record
Purchase of Scrip	Not Tax Deductible	Do not record
Purchase of Raffle Tckts	Not Tax Deductible	Do not record
Purchase at Yard Sales	Not Tax Deductible	Do not record

'Not Tax Deductible' donations such as Baptisms, Funerals, Weddings, Quinceañeras & CCD Fees could have ParishSoft funds set up for tracking purposes as long as they are marked '**Not Tax Deductible**'. It is not recommended to set up separate ParishSoft funds for Mass Intentions, gifts to priests, etc. since these do not belong to the parish.

Guidelines for Recording Donations  
In ParishSoft

**APPENDIX A**

***Verifying Registered Parishioners***

Compare the loose checks to a computer listing to identify ID numbers for any registered parishioners. Make a hand-written list of envelope contributors who did not use their envelopes. This list should have the ID number, parishioner name and amount of the check. The person entering the envelope contributions into the computer will use this list. Checks that are not from a registered parishioner are considered to be PLATE.

If there are supplementary envelopes that are not pre-printed with names and ID numbers, such as building fund or debt reduction, that have been placed in the collection – determine what the ID numbers are and write them on the envelopes. All envelopes must have an ID number on them. If there is no way to identify the donor, the money in the envelope is considered to be PLATE.

Keep all envelopes, record of loose checks and collection sheets together for the person who will enter the donations in the computer.

The amount entered into the computer for envelope donations must agree with the amount on the envelope collection sheet.

The parish is not responsible to track donations from non-registered parishioners or provide them with a statement for contributions at the end of the year. However, if the donation was part contribution and part goods or services and is over \$75, then the parish does have a responsibility to provide a written statement to the donor.



## APPENDIX B

### *IRS Recordkeeping Regulations*

#### Written Acknowledgment

"A donor cannot claim a tax deduction for any contribution of cash, a check or other monetary gift unless the donor maintains a record of the contribution in the form of either a bank record (such as a cancelled check) or a written communication from the charity (such as a receipt or letter) showing the name of the charity, the date of the contribution, and the amount of the contribution". (IRS Pub 1771)

An organization that does not acknowledge a contribution (including single contributions of \$250 or more) incurs no penalty. Although it is a donor's responsibility to obtain a written acknowledgement, an organization can assist a donor by providing a timely; written statement containing the following information (our tax ID number does not need to be on the acknowledgement letter):

1. Name of the Organization
2. Amount of *Cash* Contribution
3. Description (**but not the value**) of *non-cash* contributions
4. Statement that no goods or services were provided by the organization in return for the contribution (if applicable)
5. A description and good faith estimate of the value of goods or services, if any, that your organization provided in return for the contribution. A good example of this would be spaghetti dinner – ticket price \$100 – with \$15.00 being the value of the dinner. The deductible contribution would be \$85.00 – the difference between the entire contribution and the value of the goods received.

"For the written acknowledgement to be considered contemporaneous with the contribution, a donor must receive the acknowledgement by the earlier of: the date on which the donor actually files his or her individual federal income tax return for the year of the contribution; or the due date (including extensions) of the return." (IRS pub 1771)

However as a reminder, our Diocesan Accounting Manual states that records should be made available to parishioners by January 31<sup>st</sup> of each year.