

For Parishes, Schools and Cemeteries throughout the Diocese of Winona

## From the Desk of the Director:

Larry Dose • [ldose@dow.org](mailto:ldose@dow.org)

A few months ago I was asked to serve as Director of Cemeteries for the Diocese of Winona. As I begin in this role, I recognized the great opportunity to share with you how cemeteries are organized and managed, the current state of diocesan cemeteries, and resources available to staff and volunteers who manage our cemeteries.

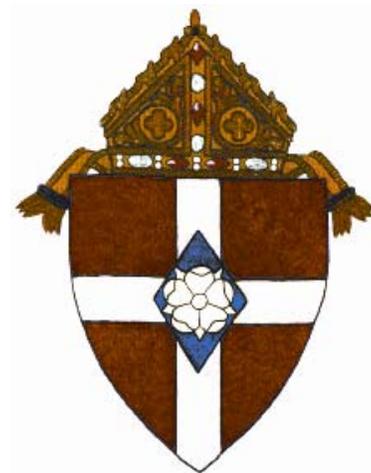
Our belief in earthly death as the entrance into eternity, our hope in the resurrection, our reverence for the body which remains, and our Christian love of neighbor calls us to exercise great care in the burial of the dead and to extend consolation to the living. In our exercise of the corporal work of mercy of burying the dead we show reverence for the body which was the temple of the Spirit.

The Christian care with which we exercise our pastoral responsibility for the burial of the dead and our administrative responsibilities for the care of our Catholic cemeteries

is a witness of our Gospel faith. The Church has always considered the Catholic cemetery to be a holy place in which reverence and respect are given to the remains of the faithful departed. The Catholic cemetery is a place of devotion and of prayer for the souls of the departed.

All Catholic cemeteries in the Diocese of Winona are under the jurisdiction and administration of the local ordinary (bishop) of the diocese. It is also interesting to note that Bishop Quinn is the current Episcopal Moderator of Catholic Cemetery Conference; succeeding Archbishop John Vlazny of Portland in Oregon, (sixth Bishop of Winona). Local administration of a Catholic cemetery is exercised by a Board of Directors of the Cemetery Association/ Corporation. The board consists of five directors, including: the bishop, the diocesan director of cemeteries, and the pastor of the

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## Healthcare Reform Update

Krissa Hilger • [khilger@dow.org](mailto:khilger@dow.org)

This is an extraordinary time for health care in our country. President Obama signed the Patient Protection and Affordable Care Act (PPACA) into law on March 23, 2010, bringing with it sweeping new health insurance rules. We have followed the legislative process closely over the past year. We continue to evaluate what it means in terms of health insurance costs, coverage, and our short- and long-term benefits strategy.

Some provisions of PPACA have already taken effect. However, we'll see the most significant changes begin in 2014, ensuring access to health insurance for most Americans.

Key health care reform provisions for the diocesan plans, and effective dates, are as follows:

### September 1, 2010:

- Coverage extended to adult children of a participant, up to age 26.
- Prohibition on preexisting condition exclusions for children under age 19.

### January 1, 2011:

- No reimbursement on Section 125 Flexible Spending Plans for over-the-counter medications unless prescribed by medical provider.

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## Catholic Cemeteries, Continued

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parent church, who are members ex officio. The remaining seats are filled by two members of the laity who are appointed by the directors of the parent parish corporation.

The Diocese of Winona has nearly the same quantity of cemeteries, 105, as it does parishes (114). During an average year, there are approximately 1,000 interments within the diocese. Nearly half of these interments happen at five cemeteries.

Two separate funds are to be established for each Catholic cemetery: a cemetery operating fund and a permanent care fund. The operating fund is to be used to defray expenses for the general preservation, maintenance or improvement of the grounds, buildings and cemetery owned monuments. For the fiscal year ending December 31, 2009, approximately 60% of diocesan cemeteries had an operating surplus.

The permanent care fund is to be invested with the Diocese of Winona Deposit and Loan Fund and is treated like an endowment fund from which only interest earned may be spent to ensure that cemetery property shall remain and be reasonably cared for as cemetery grounds forever. The Diocese of Winona requires that \$25,000 per acre be set aside in permanent care. A significant opportunity remains for diocesan cemeteries in regards to proper funding of their permanent care funds; only 11% of cemeteries currently exceed their respective funding requirement, and less than half are at 50% of their the required permanent care fund level.

Two investment options are available for permanent care funds in the DOW Deposit and Loan Fund:

- **Deposit Account:** Offers a guaranteed rate of return, currently set at 1.75%.

- **Permanent Care Value Fund (PCVF):** Invested in equities and bond markets via Christian Brothers Investment Services. Dividends are paid quarterly. Investments in the PCVF are subject to unrealized gains and losses due to market fluctuations.

Cemeteries are a ministry of the parish. As a ministry, the parish should properly oversee the activities and finances of the cemetery operation. This includes:

- Regular review of cemetery finances by the parish finance council.
- The Pastor is to be signer on all cemetery accounts.
- *Cemetery Regulations for the Diocese of Winona* are to be followed, in addition to the policies listed in *DOW Financial Policies and Procedures Manual*.
- To encourage common reporting standards and internal control procedures, the parish bookkeeper may also serve as bookkeeper for the cemetery.

The Diocese of Winona website ([www.dow.org](http://www.dow.org)) has resources available for those who manage cemeteries, as well as information for the Catholic faithful. (Printed copies can be mailed to a location upon request):

- Cemetery Regulations (for cemeteries and for lot holders)
- Rules and Regulations for Grave Owners
- "How to Plan a Catholic Funeral"
- "Cremation: What Catholics Should Know"

In addition to the online resources, the diocese has developed a standard chart of accounts (in the Logos Accounting format) to manage the payables, receivables and payroll for the cemetery. A copy can be obtained by contacting the DOW Finance Office.

Please feel free to contact me with any questions regarding the administration of cemeteries. I am eager to serve as a resource to you in this important parish ministry.

## Health Care Reform Update, Continued

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### September 1, 2011

- Prohibition on lifetime limits and on annual limits.
- New non-discrimination requirements.

### January 1, 2012

- Employer required to report value of health benefits on Form W-2 for all employees (W-2 issued January 2013 for

2012 tax year).

### January 1, 2013

- Section 125 Flexible Spending Accounts capped at \$2,500 per tax (calendar) year.

We will continue to keep you informed of regulations affecting our health care plans.

## 2011 Lay Retirement Plan Limits - 403(b)

Krissa Hilger • [khilger@dow.org](mailto:khilger@dow.org)

The Internal Revenue Service announced cost of living adjustments affecting dollar limits for pension plans and other retirement-related items for tax year 2011. Highlights include:

- The elective deferral (contribution) annual limit for employees who participate in section 403(b) plans remains unchanged at \$16,500.

- The catch-up contribution limit for those aged 50 and over remains unchanged at an additional \$5,500.

Lay retirement and other benefit forms are available via the diocesan website, [www.dow.org](http://www.dow.org). Click on *Departments, Finance, Benefits Home*.

## Catholic Mutual Group - New Website, On-Line Training & Informational Resources

Ryan Christianson • [rchristianson@catholicmutual.org](mailto:rchristianson@catholicmutual.org)

Catholic Mutual Group is excited to announce the recent arrival of our new and improved website. The web address has remained the same at [www.catholicmutual.org](http://www.catholicmutual.org). Your login information has also stayed the same:

User ID: **0095win**

Password: **service**

You will find that our new website is easier to navigate, provides a search engine for those hard-to-find topics, allows direct access to our online training programs and volunteer risk management program materials, and more.

Once logged into our website, you will have the ability to access different areas including Claims, Risk Management, Member Services, and On-line Training.

Under **Risk Management**, you will find our "CARES" safety materials have been reorganized and easier to find. Of special note, Catholic Mutual Group now has information available to assist you with your volunteer programs. Implementing standard procedures and controls appropriate to your volunteer programs is a recommended Catholic Umbrella Pool (CUP) Policy. (CUP provides excess liability coverage for the diocese.) A brochure and poster are available to answer many of the common ques-

tions and concerns regarding a volunteer's participation, as well as a volunteer coordinator or supervisor Quick Guide and/or Manual to better assure safe and well organized volunteer ministries.

**Be Smart-Drive Safe** is now available for all employees and volunteer drivers on the public area of our website, (does not require login information). **Be Smart-Drive Safe** is a no-cost, condensed 18 minute online defensive driving course, to provide the trainee with useful information to become a better defensive driver. Ideally, anyone that drives on behalf of your church or school should be asked to take the course. An instructional handout is provided. Each church or school should designate a transportation coordinator to administer the **Be Smart-Drive Safe Program**.

Finally, additional on-line training videos are available under **On-line Training**. These courses provide valuable information to assist our Members in reducing accidents, injuries, and claims. We recommend having appropriate staff and volunteers review them. Each course is available at no cost and is less than 20 minutes long. Current on-line training programs available include; Fire Safety, Preventing Slips, Trips & Falls, Preventative Maintenance, and Church Transportation – Is It Necessary and Ministry-Based?.

## IRS Announces 2011 Standard Mileage Rates

Dean Dalzell • [ddalzell@dow.org](mailto:ddalzell@dow.org)

Effective January 1, 2011, the mileage reimbursement rate will increase to a new rate of **51.0 cents per mile** (from 50.0 cents per mile). Mileage incurred on parish business after December 31, 2010 is to be reimbursed at the new rate.

For priests receiving the monthly allowance, the amount will now be **\$510 per month**. For those using the documented ministry miles method of reimbursement, the new reimbursement rate will be **51 cents per mile**.

Source: [www.irs.gov/newsroom/article/0,,id=232017,00.html](http://www.irs.gov/newsroom/article/0,,id=232017,00.html)

## FINANCE TIMES

## Dear Logos...

Dean Dalzell • [ddalzell@dow.org](mailto:ddalzell@dow.org)

**Q: An employee lost his payroll check; how can I easily create a replacement check without impacting the tax and other withholdings?**

A: Use the Accounts Payable routine to issue a replacement check:

1. Enter an invoice for the employee for the **NET** amount of the check.
2. Select the Checking Account's (Asset) GL number (e.g. 1110-00-00) as the GL account for the expense side of the check.
3. This will create a debit and credit to the same account, having no effect on your GL balance, while allowing you to provide a check for the employee.
4. When you run a bank reconciliation, you will need to clear both the old Payroll check and the new AP check when the second check appears on your bank statement.

TIP: Use the **Void Payroll Check** routine in the Payroll module when a payroll check has been issued in error. For the step by step process on correcting a payroll check, search on "Void PR Checks" within the Logos Accounting Help feature.

**Q: How can I ensure the parish software has the new 2011 tax tables?**

A: Version 9 will need to be installed to run the required tax forms for calendar year end. Please keep this mind as you prepare for issuing tax forms in January 2011, (for the 2010 tax year). Once version 9 is installed, select **Help, About Accounting...** from the menu bar. Click on the **Updates** button to download the current tax tables.

**PLEASE NOTE:** Logos Support is working on updating the program in response to the 2.0% employee FICA tax

reduction included in the *Tax Hike Prevention Act of 2010* legislation signed into law on December 17, 2010. They are anticipating the updates will be ready during the first week of January 2011. Be sure to run the update process again prior to your first January payroll.

As with any software program, a data back-up is recommended prior to updating your parish software. Logos Support is available to answer questions via telephone or e-mail: 800-229-8772, [support@logoscms.com](mailto:support@logoscms.com)

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**Logos Accounting Release Version 9:**

Logos Management Software recently issued a new release of Logos Accounting (and Logos II). This release includes significant updates to the user interface, (with a similar look and feel to MS Office products), to help you work more effectively and efficiently.

Locations should have received an e-mail announcement directly from Logos Software. (Some locations may receive a CD). If you did not receive the e-mail (or CD), contact Logos Customer Care at 1-800-266-3311. There is no cost for the upgrade; it is included as a part of your annual maintenance contract.

Following are online resources regarding the upgrade:

Software Download: [logoscms.com/client-portal/Upgrades/](http://logoscms.com/client-portal/Upgrades/)

Release Notes: [logoscms.com/Release-Notes](http://logoscms.com/Release-Notes)

Software Training Calendar: [logoscms.com/Calendar/](http://logoscms.com/Calendar/)

Questions regarding the new features or upgrade process should be directed to Logos Support:

E-mail: [support@logoscms.com](mailto:support@logoscms.com)

Telephone: 800-266-3311

## Calendar Year-End Processing

Dean Dalzell • [ddalzell@dow.org](mailto:ddalzell@dow.org)

The 31st of December is just around the corner, marking the end of the 2010 tax year and the beginning of the annual routine of tax document preparation.

Two web-conferences are scheduled for **Thursday, January 6, 2011: 10:00 AM and 3:00 PM**. (The afternoon session will be a repeat of the morning session). The sessions will be designed as "refresher-courses" to assist parish, school and/or cemetery staff with calendar year-end requirements. The agenda will include:

- Calendar year-end closing process in Logos.
- Federal and state requirements for tax reporting
- Q & A

If you are interested in participating in the web-conference, please register online before January 4, 2011. Visit [www.dow.org](http://www.dow.org), click on the respective links in the "[Upcoming Events](#)" section. Conference details will be e-mailed directly to registered attendees.

If January 6, 2011 does not work in your calendar, Logos Software also offers an online training option directly from the company. For more detail, visit: [logoscms.com/Calendar/](http://logoscms.com/Calendar/)

**Key Dates to Remember**

January 7, 2011

Update tax tables in your payroll system to reflect 2011 rates.

January 31, 2011

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## Calendar Year-End Processing, Continued

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Deadline for distributing W-2s to employees.

*February 28, 2011*

Deadline for filing paper W-2s to the Social Security Administration, plus paper and electronic W-2s to the MN Department of Revenue.

*March 31, 2011*

Deadline for filing electronic W-2s to the SSA. (The Internal Revenue Service will consider electronic annual wage reports for tax year 2010 late if submitted after this date.)

### Minnesota Department of Revenue:

*Requirements for electronically submitting W-2, W-2c and 1099 forms decreases to 25 forms.*

You must electronically submit your 2010 W-2, W-2c and 1099

forms to the MN DOR if you have more than 25 forms for 2010. This is true even if you are not required to electronically submit W-2 forms to the IRS. The Minnesota electronic filing threshold decreases to 10 forms for 2011 and beyond.

Logos Accounting offers a custom report module for bookkeepers who wish to produce electronic files for the State of Minnesota. If you are interested in downloading the custom report module, please contact Dean Dalzell ([ddalzell@dow.org](mailto:ddalzell@dow.org), 507-858-1247) for instructions and related serial code.

Please contact the Finance Office at the Pastoral Center with any questions pertaining to parish financial issues, including calendar year-end processing.

## Proxies for Extraordinary Administration

Larry Dose • [ldose@dow.org](mailto:ldose@dow.org) & Dean Dalzell • [ddalzell@dow.org](mailto:ddalzell@dow.org)

Parishes, schools and other institutions within the Diocese of Winona often inquire about the required steps to initiate a proxy for planned projects. The diocesan policy was recently updated to assist locations in preparing for the administrative requirements of the project.

All acts of extraordinary administration, (\$10,000 or more), require proxies to proceed. This requirement is Diocese of Winona policy and is set by Minnesota corporation law.

To initiate the process for completing the proxy, a written request is to be submitted to the Bishop and Vicar General of the Diocese of Winona. To facilitate the process, information supplied for proxy should include the following information:

- Description of the act of extraordinary administration (project)
- Timeline of the project
- Project estimate, including:
  - An allowance for uncollectable pledges
  - Debt service expense
  - An Allowance for contingency expense
- Supporting project documentation (as applicable), including copies of:
  - Contractor estimates
  - Contracts / leases
  - Purchase agreements

- Acknowledgement of the following items (as applicable):
  - All contracts will be reviewed by the diocesan liability insurance carrier, Catholic Mutual Group, prior to signature.
  - Treatment/abatement of asbestos material will be handled in accordance with local, state or federal law.
  - The project needs to be recommended and supported by the Parish Finance Council and the Parish Pastoral Council.

Each project must also meet minimum funding requirements. **Effective July 1, 2010**, A minimum of 75% percent of the total estimate must be on deposit in the Diocese of Winona Deposit and Loan Fund. The remaining twenty-five 25% of the project must be backed by documented pledges. Projects in excess of \$100,000 will be subject to review by the Diocese of Winona College of Consultors.

If the proxy is approved, the parish or institution can commence with the work outlined in the document. If there is a significant change in the scope of the project outlined in the proxy, (greater than \$10,000), a letter outlining the change must be submitted to the Director of Finance. Upon completion of the project, the pastor should submit a letter to the Director of Finance stating the closure of the project.

The complete and updated policy is available in section 18 of the Diocese of Winona Policies and Procedure Manual, available online in the [Finance](#) section of the diocesan website: [www.dow.org](http://www.dow.org).

## Diocese of Winona Deposit & Loan Fund

### DOW Deposit And Loan Fund Rates:

- Effective July 1, 2010 -  
Deposits: 1.75%  
Loans: 3.75%

### Withdrawal Requests:

Check requests from the Diocese of Winona Deposit & Loan Fund are issued and mailed each Wednesday. Requests must arrive via mail, fax, e-mail or internet before 10:00 am that Wednesday.

When making requests, please include the note number of the specific account(s) from which you are requesting withdrawals. Please feel to contact the Diocese of Winona Finance Office with any questions.

## Meet the Pastoral Center Staff - Sandy Todd



I was born and raised in the small town of Postville, Iowa. My father managed the telephone company and kept books for two local cheese factories. We kids grew up helping in the office by taking telephone payments and balancing "milk

sheets." (These large paper spreadsheets were used to calculate the payment due each farm for their milk based on weight and butter fat. This would have been so much easier if we could have used Excel!) I ventured north to attend Winona State University where I received bachelor's degrees in business and music. My late husband and I have three sons: David (a recent graduate of Waldorf College), Marcus (a sophomore at Minnesota State University-Mankato) and Michael (a sophomore at Winona Senior High School).

Prior to coming to the Diocese, I worked nine years as the office manager for a local lumber yard. I joined

the Diocese in 1992. As the controller, I am responsible for the production and integrity of the financial records. I thoroughly enjoy the strong team we have in the Finance Office and am grateful for the opportunity to work with them.

Away from work, I keep very active with my music. I have been the organist at First Congregational Church-UCC since 1984. I accompany high school and middle school choirs in the area as well as the Winona Oratorio Chorus. I have played for almost 40 musicals since 1986 and occasionally play clarinet in the St Mary's University Concert Band and the Winona Municipal Band.

## Contact Information

|                   |  |                  |  |
|-------------------|--|------------------|--|
| <b>Address:</b>   | Diocese of Winona<br>55 West Sanborn<br>PO Box 588<br>Winona, MN 55987 | <b>Internet:</b> | www.dow.org<br>www.catholicmutual.org                            |
|                   |  | <b>Fax:</b>      | 507-454-8106 (Pastoral Center)<br>800-335-8141 (Catholic Mutual) |
| Larry Dose        | Director of Finance  | 507-858-1248     | ldose@dow.org  |
| Gary Martini      | Director of Human Resources  | 507-858-1250     | gmartini@dow.org   |
| Sandy Todd        | Controller   | 507-858-1245     | stodd@dow.org  |
| Krissa Hilger     | Employee Benefits & H/R Manager  | 507-858-1268     | khilger@dow.org  |
| Dean Dalzell      | Financial Analyst  | 507-858-1247     | ddalzell@dow.org   |
| Linda Larson      | Accounting Technician  | 507-858-1246     | llarson@dow.org  |
| Mary Hamann       | Finance Office Assistant   | 507-858-1244     | mhamann@dow.org  |
| Ryan Christianson | Claims/Risk Manager II   | 800-494-6452     | rchristianson@catholicmutual.org                                 |
| Rod Kollman       | Internal Auditor   |                  | kollman@kmtel.com  |