



October 13, 2023

Dear Rev. Frs., and members of the parish councils,

Christ is in our midst! I am writing today to remind our clergy, treasurers and parish council members of our parish council workshop a few years ago which addressed “best practices,” and legal aspects of parish accounting. We also have extensive information on proper procedures for parish accounting on our Diocesan Website, https://doepa.org/church_council_treasurer. Given this was a few years ago we now have new council members and treasurers who may be unaware of this valuable resource that is intended to assist you in your fiduciary responsibilities and of the legal aspects involved with parish accounting.

First and foremost, all of our parishes are incorporated as legal entities and as such are subject to the legal prescriptions governing corporations and more specifically, Non-Profits corporations. *The parish council* is responsible for overseeing *all parish assets on behalf of the parish*. Every bank account or investment account opened using the parish’s TAX ID Number, is the *parish’s money* and must have proper protocols in place for disbursements, be audited and reported on the parish’s annual financial statement. This is non-negotiable. Any person or group within the parish which refuses to comply is to have the account closed as they potentially *endanger the parish’s tax exempt status* and violate the Statute of the OCA, the Diocesan Bylaws and the parish’s bylaws. There are no parish accounts not subject to transparency and parish control.

The parish priest is to receive either a 1099 or a W-2 annually. The IRS also spells out quite clearly who else MUST be given a 1099 (see <https://www.irs.gov/businesses/small-businesses-self-employed/am-i-required-to-file-a-form-1099-or-other-information-return> , also see <https://www.irs.gov/charities-non-profits/information-returns-forms-1099>). Examples of persons, other than the priest who must be given a 1099 or W-2, include choir directors, secretaries, substitute clergy and those who are unincorporated but provide cleaning, lawn care or snow removal. Basically, all persons compensated \$600 in a calendar year are to be given a 1099. The instructions for filing the 1099 may be found here, <https://www.irs.gov/pub/irs-pdf/i1099msc.pdf>.

Given this is a legal requirement of the IRS, it is not optional. Therefore, it is not a matter of a parish council vote. The filing of the 1099 or W-2 is the responsibility of the parish treasurer and not subject to a parish vote, the parish council’s review or approval.

Yours in Christ,

+ Mark

+ MARK, Archbishop of Philadelphia and the Diocese of Eastern Pennsylvania

CC: V. Rev. Fr. Martin Browne, Chancellor

V. Rev. Fr. Victor Gorodenchuk, Dean of the Philadelphia Deanery

Rev. Fr. Innocent Neal, Dean of the Wilkes Barre Deanery

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“Thou hast made us for Thyself, O Lord, and our heart is restless until it finds its rest in Thee.” Augustine