

DIOCESE OF JOLIET FINANCIAL POLICIES

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STATEMENT OF POLICY

Under Policy Q, the provisions for providing financial assistance to the needy shall be as follows:

GENERAL ASSISTANCE TO THOSE IN NEED:

1. The parish should determine guidelines regarding the collection and distribution of funds. The following should be incorporated into the guidelines:
 - a) Donations that are given with the stipulation that they help a specific individual cannot be accepted. The parish cannot be used as an intermediary between the donor and the recipient in order to obtain a tax deductible donation by the donor.
 - b) Limits should be placed on the amount given to an individual and for the length of time an individual receives assistance. As necessary, the parish should refer the individuals to agencies who may be able to provide longer-term assistance and additional guidance.
 - c) Assistance should be fair and equitable. One individual or family should not receive assistance beyond the amount or time determined by the parish.
 - d) A record of payments should be maintained. Assistance in the form of cash should not be given. Checks should be made payable directly to the utility company, landlord, etc.
 - e) Gift cards for gas, grocery stores, etc. may be distributed. A record of the amount given and the name of the recipient should be maintained.
2. The parish may fund the assistance by allocating a portion of the parish's general revenue for this purpose and/or soliciting for donations that will be used specifically to assist individuals in financial need (i.e Outreach or Needy Fund). A record of the donations received for this purpose should be maintained in order to ensure that the donations are used for their intended purpose.
3. The parish should consider establishing a St. Vincent DePaul Society. As a member of the society, the parish would operate under its guidance.

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COLLECTIONS AND FUNDRAISERS FOR SPECIFIC INDIVIDUAL OR FAMILY:

When a parishioner or member of the community is the victim of a disaster such as a fire or is in need of extraordinary medical care, the parish may provide assistance. The parish must adhere to the following guidelines:

1. Under no circumstances should the parish set up an account for such an individual or be the recipient of funds which are designated solely for the benefit of such person or persons. The parish is not to be the trustee of funds accumulated for a distressed individual(s).
2. An account should be established at a local banking institution by the individual(s) in need. The tax identification number of the person or persons who are going to be the recipient of funds should be used. At no time may the parish federal identification number be used.
3. The parish may approve a special collection for an individual or family if:
 - a) all donations are forwarded directly to the individual or banking institution,
 - b) checks from donors are made payable to the individual or the bank,
 - c) no donations are deposited into the parish bank account, and
 - d) the parish does not provide acknowledgements to the donors for income tax purposes.
4. Fundraising events may be held at the parish. However, they would be considered non-affiliated parish activities and the parish would have to ensure that all policies regarding insurance are followed.

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Parish's compliance with the above guidelines is important in maintaining the tax-exempt status of the Diocese of Joliet. Refer to Publication 1828 - Tax guide for Churches and Religious Organizations (www.irs.gov/pub/irs-pdf/p1828.pdf) for more information.