February 23, 2020

Our Lady of the Visitation Catholic Church
Hospitality Committee

Please find attached a coordinated and approved Mission Statement, Purpose, and list of mutually established expectations/responsibilities/duties for your committee’s activities.

Please direct any questions, inquiries or need for revision to me or the parish’s Office Manager.

Thank you for your continued works of charity and service to the Church.

Respectfully,

Yours in Christ,

Fr. R.G. Newbury Jr.
Pastor
Hospitality Committee

(Current as of: 02/23/2020)

The Our Lady of the Visitation Parish’s Hospitality Committee helps to promote lively, parish fellowship by serving coffee, juice, and donuts/pastries the first Sunday of every month (excluding the months of July and August). It also helps to facilitate special community events also (such as: the parish picnic; periodic potlucks; annual chili cookoff contests; and bake sales; after-Mass First Communion and Confirmation light receptions; etc.).

Membership of the Hospitality Committee is open to all registered members of the parish, who wish to participate in the myriad of this committee’s important activities that directly and significantly impact our parish’s communal fellowship activities (e.g., men, women, youth, etc.).

Mission Statement:

The Hospitality Committee of the Our Lady of the Visitation (OLV) Catholic Church supports and enhances the parish’s pastoral leadership and assembly’s needs, by planning, scheduling, organizing and facilitating a variety of activities during the typical calendar year.

Purpose:

The primary purpose and goal of the Hospitality Committee is to assist the parish’s clergy and the body of the Catholic faithful in creating and participating in church-related activities that promote a sense of communal fellowship.

Responsibilities:

The activities of the Committee include (but are not limited to):

- Work directly with and through the Pastor and parish’s Business/Office Manager for all committee-related purchases; unresolved issues or conflicts with other parish ministries or activities; operational concerns and maintenance requests.
- Collaborate, if/as needed, with the parish’s Pastor, Altar and Rosary Society and Environment Committee regarding the periodic cleaning of the church’s Worship Space.
- Purchase, maintain, clean and replace any and all Hospitality Committee-peculiar articles, equipment, etc. if/as needed.
• Conduct participant meetings (as a minimum quarterly, if possible); on dates and at times suitable for most of the interested parish faithful. Meeting agenda and minutes will be completed, and a file copy provided to the Pastor or parish Office Manager for parish recordkeeping and file retention purposes.

Policy and Procedures for the “Sales” of Religious Articles, Food, etc.:

As small component of the mission and ministry of a Catholic parish’s Hospitality Committee’s fundraising events, it may include the “sales” of religious articles, baked/cooked items, etc., to help fund the parish-level receptions the Committee hosts following First Communions and Confirmations, etc.

In order to provide a more consistent set of parish-level norms and practices for the “sales” of such articles, these Policy and Procedures have been created for the OLV Parish’s Hospitality Committee (and mirror those of other established parish ministries).

First and foremost, the sales of any religious articles (i.e., books, rosaries, etc.), consumable food items, services and the like are:

• regulated under federal/state laws and diocesan guidelines regarding “income”;  
• such parish “income” may be taxed to/by state and local authorities; and  
• subject to inclusion into the parish’s monthly Methodology reporting (as income/offertory) and is thereby applicable to a 30% assessment by the Diocese of Colorado Springs per its long-standing and existing finance manual.

However, that said, in accord with the diocese’s finance manual and federal IRS non-profit/religious guidelines, if the event’s proceeds are, designated:

• as a suggest donation vs. a fixed sales price (i.e., for a rosary: suggested donation is $20.00), and  
• the event’s proceeds are advertised in advance as restricted to a particular parish expense, function or activity (i.e., benefit proceeds are for the parish’s Building Fund or the children/youth Religious Education program),

then legally and procedurally the event’s proceeds are exempted from the federal/state laws and the diocesan guidelines as “income” and consequently, are not subject to taxation or assessment.

Designated Volunteers for Handling of Event Monetary Proceeds:

Each activity shall have a minimum of 2 trained, adult volunteers (a primary and an alternate), who are familiar with these prescribed Hospitality Committee event norms.

Hospitality Committee-Related Purchase Procedures:

1. The purchase of committee-peculiar merchandise is to be preferably from vendors with which the parish has an established account, so that an invoice (bill) for the articles will be later sent to the parish office for remittance of payment.
2. For those instances when this is not feasible, the purchaser of the merchandise must forward their paper receipts to the Committee’s chair to be forwarded to the parish main office for reimbursement.

3. Such purchases are to be documented (with purchase receipts attached) and forwarded to the parish office via a written parish Purchase Order (PO).

4. No parish volunteers are permitted to establish a vendor account in the name of or on behalf of the Hospitality Committee or the OLV Parish. To comply with established universal Church and diocesan laws and norms, this must be completed by the Pastor or his designee (in-writing).

5. At no time shall a Hospitality Committee member or parish volunteer be permitted to:

   a. Open or establish a separate, Hospitality Committee bank checking or savings account; a credit card account; and/or a vendor credit account exclusive of the OLV Parish. (All parish Hospitality Committee activities must be officially established and function under the auspice of the OLV Parish and with the expressed knowledge and approval of the incumbent Pastor.)
   b. Retain a copy of the diocese’s and/or parish’s federal or state tax-exempt certificate. (These are stored and issued to vendors by the Pastor or parish office, on an as-needed basis.)

Event Monetary Procedures:

1. If the purchase of a religious article within the parish is a sale – not a donation – it may need to include State of Colorado sales tax (per CRS §39-26-718). (Please refer below for further information on the required collection of sales taxes by non-profit organizations during a typical calendar sales year.)

2. In those instances, therefore, the parish (as a whole, not each individual ministry or parish activity) must apply for and secure a State of Colorado Department of Revenue (DOR) Tax License (generally valid for a period of two years). The original or a copy of this license must be posted in/at the event and be clearly visible to the customer(s).

3. An original or a carbon copy for each sales transaction must be retained at the parish level. This ensures an on-site, accurate record is available for the parish’s Business/Office Manager to periodically inspect and for the diocese’s annual financial auditor to review, if/as needed.

4. The other portion of the sales receipt is to be given to the customer.
5. All monies received from the sales of Hospitality Committee activities must be immediately placed in an approved deposit bag and then deposited in the parish’s general offertory safe; for later formal counting and recording (by a minimum of 3 trained and designated money counters on Sunday). The monies will then be deposited at the parish’s banking institution and tracked individually by the parish’s Office/Business Manager in a Hospitality Committee subaccount.

At no time, are volunteers of the Hospitality Committee permitted to leave the church’s premise with donation or sales monies—it must be deposited in the church’s safe before the volunteer leaves the church building; so that the monies are officially and promptly entered into the parish’s financial oversight and accounting systems per established diocesan policies.

6. The parish’s Office/Business Manager will track internally the Hospitality Committee’s monies, segregated it from the parish’s general operating account and earmarking it as “restricted” or “funds-held-in-trust”; via approved diocesan subaccount management practices and for annual audit purposes.

Assessment and Applicability of Sales Tax:

The Diocese of Colorado Springs and the Our Lady of the Visitation Catholic Church have been designated as federal tax-exempt religious organizations under Section 501(c)(3) of the Internal Revenue Code.

Furthermore, the State of Colorado has designated the Our Lady of the Visitation Catholic Church as a tax-exempt religious organization.

Such tax exemption permits charitable organizations an exemption from state or locally collected sales tax for purchases made in the conduct of the diocese’s and parishes’ regular charitable functions and activities. Use of the tax-exempt status for other (non-church related) activities is prohibited by law, is punishable by fine and/or imprisonment, and severely jeopardizes the diocese’s and parishes’ continued tax-exempt status.

According to the State of Colorado Revised Statutes (as of April 2014):

“If the charitable organization conducts sales for a total of 12 days or less during a calendar year and the net proceeds from all these events do not exceed $25,000 in that calendar year, the sales are not subject to sales tax. … As soon as the organization reaches either $25,000 in net proceeds or conducts sales for more than 12 days a year, the organization must obtain a sales tax license from the department [CO Department of Revenue] and remit sales tax on all sales that occurred in that calendar year, including sales in that calendar year that were previously exempt prior to the date when the threshold was exceeded [C.R.S. §39-26-18].”
In short, in that all parish ministries operate within and for the good of an individual parish (e.g., the Our Lady of the Visitation Catholic Church) (i.e., they do not operate or exist independent of the parish), all of its sales and fundraising activities within the calendar year (January 1st to December 31st) are cumulative (amassed together). Therefore, if the sales and fundraising activities of the ministries and activities of the parish (including the Hospitality Committee) during the year exceed 12 days or $25,000, then they are subject to state and local sales tax.

In closing, to date however, the local county and municipality governments have extended the parishes’ tax exemption status to include all parish annual sales and fundraisers also (not just parish relevant purchases).

Therefore, sales tax applicability for parish-level sales and fundraising activities is solely to the State of Colorado Department of Revenue (DOR) Division of Taxation. Such activities also remain restricted funds; dedicated solely to the parish’s ministry or activity, and are therefore, not subject to the monthly Diocese of Colorado Springs parish methodology and assessment, as general offertory income—provided they are clearly donations and not sales proceeds or offertory collections.

Of note and interest: Large scale food preparation, distribution and sales are also subject to established guidelines of the state, county and local Department of Health regulations.

Administrative Changes/Amendments/Revisions:

Changes to and/or additions to these OLV Parish Hospitality Committee norms will be at the discretion of the Committee Chair and incumbent Pastor (whether verbally or in writing). Resolutions to conflicts will be at the discretion of the Hospitality Committee Chairperson and the incumbent Pastor.