

To: Mr. John Boel
FROM: Cecelia Price
RE: IRA and Non-Tuition (“Stewardship”) Parishes
DATE: August 21, 2013

I would like to summarize the points that Fr. Bill Hammer was trying to make using the factors (I believe you were working from this same information) identified by the USCCB’s Office of General Counsel as to whether or not a contribution qualifies as a charitable gift and can be reported as such by the parish.

The presence of one of these 4 factors would create the presumption that a contribution is not a charitable contribution:

1. The existence of a contract (express or implied) under which a taxpayer agrees to make a “contribution” and which contains provisions insuring the admission of the taxpayer’s child.

As Fr. Bill explained, all parishioners of St. Joseph Parish are invited to support, in gratitude for what they have been given by God, all of the ministries of the parish. Whether or not a parishioner makes a free-will gift, however, is up to that parishioner. The size of the gift is up to the parishioner. No one is penalized or tracked or otherwise called out for what they give or do not give. There is no “contract” for any parishioner guaranteeing any ministry.

2. A plan allowing taxpayers either to pay tuition or to make “contributions” in exchange for schooling.

This seems to be a big source of confusion. All parishioners are invited to make free-will donations to support all ministries of the parish. Like other ministries, the school ministry is provided tuition-free to parishioners with children enrolled at St. Joseph School.

Non-parishioners, however, are required to pay tuition. This is perfectly acceptable under IRS guidelines.

3. The earmarking of a contribution for the direct benefit of a particular individual.

This does not exist at St Joseph Parish and is not relevant.

4. The otherwise unexplained denial of admission or readmission to a school of children of taxpayers who are financially able but who do not contribute.

As Fr. Bill stated repeatedly, there is no penalty or tracking of parishioners and their free will donations. There are parishioners with children in the school and parishioners involved with other ministries who give nothing; there are parishioners who give substantial gifts. There are parishioners who fulfill their pledges and those who do not. None of these realities preclude the participation of parishioners in any ministry of the parish.

In addition, the following factors also would also tend to indicate that a payment is not a deductible contribution by a tuition-type payment.

5. The absence of a significant tuition amount.

This is not relevant.

6. Substantial or unusual (different from that applied to non-school households) pressure to contribute applied to parents of children attending the school.

I suspect this is some of the communication that you are pointing to, and Fr. Bill acknowledged that he does not agree with some statements made by volunteers. Can communication be improved? Always. However, the bottom line is that the parish does not treat parishioners differently based upon their gifts of time, talent, and treasure, and what is given (or not) does not affect the parishioners' status in any parish ministry.

7. Contribution appeals made as part of the admissions or enrollment process.

Information through a variety of ways is provided in a more intensive way during the stewardship renewal process (January-February), and this timing is consistent for many parishes in the Archdiocese, both those with schools and without schools. The particular meetings for parishioners that you referenced occurred during regularly scheduled PTO meetings. While many parishioners who have children in the school are pre-registering during this same time period, enrollment occurs year-round.

8. The absence of significant potential sources of revenue for operating the school other than contributions by parents.

The Basilica of St. Joseph Proto-Cathedral has 1,700+ parishioner families; only about 400 families participate in the school. All parishioner families of the parish support all ministries.

9. Other factors suggesting that a contribution policy has been created as a means of avoiding the characterization of payments as tuition.

Whatever volunteers may have said at a few meetings over the course of the many years that St. Joseph Parish has had a tuition-free plan for its school, the contribution policy of this parish, as articulated by the pastor, is the philosophy of stewardship. The theology of stewardship calls each parishioner to reflect upon the gifts he or she has been given and to respond in faith with the "first fruits" of his or her gifts of time, talent, and treasure to the parish and to the community.

The theology and practice of stewardship is never intended to be a scheme to avoid taxes. In fact, the Church teaches, as Christ did, that we should always pay our share of taxes.

At the same time, the framers of the tax code recognized that free will contributions to charitable organizations serve the common good of our society and therefore have provided for the deductibility of free will gifts made to religious organizations and many other qualifying charitable organizations.