

Diocese of Buffalo
Parish Budget Preparation Instructions
2018 – 2019

General Instructions

- a. Budgets should be based upon the prior year actual revenues and expenses, prior year budget, parish size, current or anticipated staff, participation trends and projections, as well as current economic trends.
- b. Actual to budget comparisons should be made on a monthly basis and provided to the pastor and finance council of the parish for review.
- c. Adjustments should be made through-out the year to address significant variances from budget such as decreased offertory, fundraising falling below projections, unanticipated expenditures, etc.
- d. Separate budget preparation instructions are available for schools.

Specific Budget Guidelines

Revenues

- a. Sunday and Holyday Collections
Estimate based upon historical data adjusted for unique circumstances such as a material change in the number of parishioners, increased offertory campaign, etc.
- b. Various Fundraising Activities (lawn fetes, bingo, raffles, etc)
Estimate based upon a review of previously held fundraisers including adjustments for new or discontinued fundraisers and current economic trends.
 - Fundraisers cannot directly benefit an individual (ie. School family) as this creates an employer / employee relationship.
 - Fundraisers are highly regulated by New York State (bingo, bell jar, raffles, games of chance)
Refer to the NYS Gaming Commission website
<https://www.gaming.ny.gov/charitablegaming/>
- c. Parish Drives
Estimate based upon previously received or anticipated commitments, historical data and economic conditions.
- d. Merged Parish Income (if applicable)
Estimate based upon purchase commitments from outside parties for assets which are being sold as a result of a merger of parishes.
- e. Religious Education / Faith Formation
Estimate based upon the anticipated number of participants in the programs and the fees which are charged for such programs.

Expenses

- a. Salary accounts
Estimate based upon historical data and projected staffing requirements. Increases to salaries should be affordable and approved by the pastor and the parish finance council. For informational purposes, the Consumer Price Index for the Northeast Urban area increased 1.7% in 2017.

b. FICA

The cost to the employer is 7.65% of the gross wages for each lay employee.

c. NYS Unemployment Insurance

It is recommended that parishes opt for the reimbursement method. Unemployment expenses are incurred only if an unemployment claim is filed. Unless employee turnover is anticipated, this line should be zero.

d. Worker's Compensation

- Church Professional (pastor, administrator, pastoral associate, DRE, etc): \$.58 per \$100 of salary.
- Lay Clerical (secretary, bookkeeper, etc.): \$.16 per \$100 of salary.
- Lay Custodial, Kitchen, etc.: \$3.86 per \$100 of salary.
- Cemetery: \$9.87 per \$100 of salary.
- Housekeepers: Full-time \$397.00 per person; Part-time \$174.81 per person

e. NYS Disability

The cost to the employer is 2.50% of the first \$7,000 of wages for each lay employee.

f. Health Insurance

Estimate an 10% increase from the 2017-2018 rates.

g. Lay Pension Expense

. On June 19, 2015, plan modifications were communicated to participants outlining the cessation of additional accruals to the defined benefit (Legacy) plan as of December 31, 2015 and the initiation of a new defined contribution 403(b) plan effective January 1, 2016. The cost to employers is comprised of two items for all eligible employees.

- Employers were notified in June 2018 of the unfunded liability for their location for the defined benefit (Legacy) plan based upon an actuarial analysis of employees of record as of December 31, 2015. The monthly amount communicated in the letter will be debited from the bank account of record on the 5th of each month.
- The new defined contribution plan cost will vary dependent on the age and years of service of employees as outlined in the June 19, 2015 Lay Retirement Plan Modification letter. The cost of the defined contribution plan will average 4.4% of eligible payroll with costs to participating institutions being higher or lower based on age and years of service of its participants. Actual employer contribution rates by employee should be used in the budget based upon the information in the Who's Where system.
- Initial eligibility is based on employees working an average of 20 or more hours per week for 6 months (520 or more hours). Once eligibility is established for a calendar year, the employee remains eligible for that year even if hours worked fall below an average of 20 per week. Eligibility will be reassessed annually.

h. Utilities

Estimate a 5% increase for electric and natural gas over the 2017 – 2018 actual cost.

i. Contract Services

Estimate based upon current service contracts and historical data.

j. Diocesan General Assessment

Changes will be made to the 2018-2019 assessment formula, reducing the base rate from 13.5% to 13.25%, instituting an additional credit for 5% of net religious education / faith formation expenditures and eliminating the 5% decrease limit for one year to reset parish's assessment to the actual calculation. The assessment will be calculated based upon 13.25% of regular receipts less credits for 5% of school subsidy for parishes with a school or 3.5% of paid education assessments for parishes without a school,

5% of net religious education / faith formation expenditures and 15% of Catholic Charities collections. The assessment must be a minimum of 6.5% of regular receipts. Changes from the prior year assessment are limited to a 5% increase with no decrease limit.

k. Subsidy to Elementary School (parishes with a school)

Funds provided to a parish elementary school by the parish to subsidize the operation of the school. The amount is the difference between revenue sources (tuition, fundraising, etc) and the total expenditures necessary to operate the school.

l. Diocesan School Assessment (parishes without a school)

Calculated based upon a percentage of regular receipts for parishes which do not have a parish school. Assessment rates are progressive and decrease as the distance to a school increases. The highest rates are assessed to parishes with a regional school on-site (first \$100,000 - 11%; \$100,000-\$250,000 - 18%; over \$250,000 - 20%). The on-site rates are decreased due to the distance from a school in five mile increments.

m. Priest Retirement and Welfare Assessment

Calculated for Diocesan priests based upon an estimated rate of 5.5% of regular receipts.

n. Other Expense Accounts

Estimate based upon historical data and trends.

o. Merged Parish Expenses (if applicable)

Expenses related to former parish buildings acquired as a result of a parish merger and maintained by the new / surviving parish. Such expenses include insurance, utilities, repairs, maintenance, etc.

p. Religious Education / Faith Formation:

Total expenses such as salaries, benefits, supplies, etc. related to religious education and faith formation programs.

q. Capital Expenditures

All expenditures exceeding \$10,000 require the pre-approval of the Bishop of the Diocese of Buffalo. Projected expenditures should be included in a 3 year strategic budget for the parish.