

Diocese of Buffalo
School Budget Preparation Instructions
2020-2021

General Instructions

- a. Preliminary budgets should be prepared in conjunction with the setting of tuition and fee rates. Budgets should be refined after the registration process is complete, and finalized in the fall based upon the official enrollment as reported on the NCEA School Summary Form.
- b. Budgets should be based upon the prior year actual revenues and expenses, prior year budget, enrollment trends and projections, as well as current economic trends.
- c. Actual to budget comparisons should be made on a quarterly basis and submitted for review. It is imperative that the final budget be allocated by month based upon expected cash flow rather than allocated evenly over 12 months.

Specific Budget Guidelines

Revenues

- a. Tuition and Fee accounts

This category should include tuition, tuition aid, and all fee income. The total of these accounts should be 60% of the per pupil cost. It is very important to set the first child and multiple child family tuition and fee rates so that the total collected is 60% of the total school budget. A supporting schedule calculating tuition and fee revenue based upon the number of families and stated tuition and fee rates should be included with the budget. A template is available on the Financial Administration page of the diocesan website (<https://www.buffalodiocese.org/financial-administration>).

- b. Subsidy accounts

-Parish Schools: This category should include the Parish Subsidy and the Tuition Grant Program funds (CTGP) received from the Diocese. The CTGP funding will remain at \$1,350 per student for the 2020-2021 school year for families who are active parishioners at a neighboring parish without a school.

-Regional Schools: This category should include the Regional School Subsidy received from the Diocese. The 2020-2021 Diocesan subsidy was communicated to you in the June 2020 letter from Rev. Karalus.

The total for this category should not exceed 25% of the per pupil cost. An additional benchmark for parish schools is for the school subsidy not to exceed 35% - 40% of the regular receipts of the parish.

- c. Other Revenue Sources

-Mandated Services: Please contact the Catholic Education department for this information -

Fundraising: Estimate based upon historical data and trends, incorporating projected enrollment and the current economic climate. This category should reflect the net fundraising income. -

Other: Estimate based upon historical data and trends.

The total from this category should be 15% of the per pupil cost.

Expenses

a. Salary accounts

This category should be based upon projected staffing requirements. Please include substitute teachers for both illness and professional development in your budget. Increases to salaries should be affordable and approved by the pastor, canonical administrator and school or parish finance council. Classes should be structured (if possible) to meet the Diocesan guidelines of minimum class size of 20 – 23 students. For informational purposes, the Consumer Price Index for the Northeast Urban area increased 1.7% in 2017. A supporting schedule listing employees, projected wages, payroll taxes and benefits should be included with the budget. A template is available on the Financial Administration page of the diocesan website (<https://www.buffalodiocese.org/financial-administration>).

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 schools and 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

-All School Personnel (excluding custodial and cafeteria): \$.51 per \$100 of salary (parish schools); \$.81 per \$100 of salary (regional schools).

-Lay Custodial and Cafeteria: \$3.36 per \$100 of salary (parish schools); \$5.33 per \$100 of salary (regional schools).

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 8% increase from the 2019 – 2020 rates.

g. Lay Pension Expense

The Lay Pension Plan Trustees announced a retirement plan design study in February 2015. 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 will contribute 5.5% of eligible payroll to the Legacy plan as of January 1, 2017 and beyond to ensure benefit promises to current, retired and terminated and vested employees are met.

- 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 20 per week. Eligibility is reassessed annually.

h. Utilities

Estimate a 6% increase for electric and a 4% increase for natural gas over the 2019 – 2020 actual cost.

i. Sisters Car Expense

The Leadership Conference of Women Religious (LCWR) agreed to phase out the requirement to provide vehicles or a car allowance for Sisters effective August, 2009. Unless there is an agreement with the pastor or canonical administrator to provide a car, this line should be zero.

j. Textbooks, Supplies, etc.

Estimate based upon historical data, projected enrollment and scheduled textbook replacement. Textbook, computer software and hardware, and library aid from New York State remains unchanged from the 2017- 2018 rates of \$58.25 for textbooks, \$14.98 for computer software, \$12.00 for computer hardware on average and \$6.25 for library per K – 8 student in the Governor's proposed budget, however these items should not be included in the school budget as they are funded through the public school district. Funds are also available for reimbursement for safety equipment purchases and should be around \$36.00 per K-8 student. Include only scheduled expenditures in excess of those funded through the public school district in the budget. With regard to budgeting for safety equipment, remember that your school must first budget for and expend the safety funds before you can submit for NYS reimbursement which could take many months.

k. Contract Services

Estimate based upon current service contracts and historical data.

l. Professional Development

Although some professional development costs are paid for using public school district Title IIa funds, additional professional development costs for training, supplies and substitute teacher costs as described in the 2019-2020 Professional Development Plan created by your principal should be included in the budget.

m. Other Expense Accounts

Estimate based upon historical data and trends.