

Diocese of Buffalo  
Parish Budget Preparation Instructions  
2021-2022

**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 parish Finance Council for review. A comparative Income Statement can be generated using PDS Ledger.
- 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 on 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.

- 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 1.4% in 2020.

b) FICA and Medicare –

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, etc.): \$.52 per \$100
- Lay Administrative and Clerical: \$.13 per \$100 of salary.
- Lay Custodial, Kitchen, etc.: \$3.25 per \$100 of salary.
- Housekeepers: Full-time \$471.10 per person: Part-time \$159.53 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 a 4% to 10% increase from the 2020-2021 rates.

g) Paid Family Leave –

Premium charge is .511% of total payroll.

h) 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.

A valuation of Plan liabilities was completed as of January 1, 2021. Based on the valuation, the period to full funding was updated from 14 to 7.4 years. The period to full funding shortened due to employer contributions over the past three years, as well as savings resulting from the Lump Sum Buyout program completed in 2020. Letters were sent out in July 2021 with updated funding contribution amounts effective September 1, 2021. You will see the funding contribution payments as an ACH debit around the fifth of each month.

i) Utilities –

Estimate a 5% increase from the 2020-2021 electric and natural gas actual cost.

j) Contract Services –

Estimate based upon current service contracts and historical data.

k) Diocesan General Assessment –

The percentage used to calculate the general assessment is based on the prior year's total regular receipts. For parishes with less than \$200,000 in regular cash receipts the percentage for the calculation is 14.6%. If total regular receipts fall between \$200,000 and 30,000 the percentage is 19.8% and for parishes with total regular receipts over 300,000, 23.5% will be used to calculate the diocesan general assessment. The percentage is then multiplied by total regular receipts.

l) 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.

m) Other Expense Accounts –

Estimate based upon historical data and trends.

n) 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.

o) Religious Education / Faith Formation –

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

p) 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.