

ASSESSMENTS - PARISH

The Christian faithful are obliged to assist with the needs of the Church so that the Church has what is necessary for divine worship, for the works of the apostolate and of charity, and for the decent support of ministers (Canon 222 §1). It is for the diocesan bishop, therefore, to admonish the faithful of this obligation by encouraging appeals and by instituting a moderate tax/assessment for the needs of the diocese (cf. Canon 1261, 1263). After consultation with the Priest Council and Finance Council of the Archdiocese, and upon their recommendation, the Archbishop has enacted the following policy:

1. Catholic Services Appeal

"The faithful are to give support to the Church by responding to appeals and according to the norms issued by the conference of bishops" (C. 1262).

The annual appeal is conducted to raise free will support for the ministries of the Archdiocese of Louisville. Suggested goals are recommended for each parish as a means of encouraging the voluntary participation of the faithful in the appeal.

2. Ordinary Assessment

"After the diocesan bishop has heard the finance council and the presbyteral council, he has the right to impose a moderate tax for the needs of the diocese upon public juridic persons subject to his governance..." (C. 1263)

The ordinary assessment enacted by the Archbishop is intended to provide funds to carry on the foreseeable needs of the Church in the Archdiocese of Louisville. The dollars generated from the ordinary assessment are used to support the ministries of the Archdiocese of Louisville, including the regular operating expenses of the diocesan curia, and other Church-related organizations present in the Archdiocese. Upon consultation of the Priest Council and Finance Council of the archdiocese, the rate of the assessment has been established at 3.50% of assessable parish income.

Included in the Ordinary Assessment, two additional elements have been established to support specific archdiocesan needs:

The Record

The archdiocesan newspaper *The Record* is an important means of communication. It is important that it be delivered to every registered household. Therefore, each parish is assessed .66% of gross assessable income in order to achieve this goal.

Clergy Pension

The Christian faithful are obliged to provide for the decent support of ministers (C. 222 §1), and provision should be made so that priests possess the assistance to suitably provide for their needs (C. 281 §§1-2). This assessment addresses the need to provide funds for the support of retired priests. The monies collected by this assessment are kept in a restricted account, used only to help fund clergy retirement benefits. This assessment rate is established at 1.34% of gross assessable income.

- A Special Extraordinary Payment

A special extraordinary payment from parishes to create a fund to help families with financial assistance for tuition to attend Catholic elementary schools was approved by Archbishop after consultation with Priest Council. The amount of extraordinary payment was set at 1% of assessable parish income.

In calculating the total amount of the assessment, it is necessary to take each respective percentage multiplied by gross parish income. "Gross parish income" is to be defined as all of the revenue taken in by a parish, including parish organizations and school tuition that is subject to assessment. A list of parish income not subject to assessments includes:

- Special Diocesan Collections

Since these collections are collected at the parish level, but mailed directly to the Archdiocese, they are not included in the parish gross income. Both the manual and computer bookkeeping systems provide accounts that subtract these collections before computing gross income. (A list of Special Collections is provided under the policy entitled "Special Collections.")

- Parish Fund Raising Events

Only the "net" income (i.e., income after expenses) from parish fund raising events is reported as assessable income. This includes events such as parish picnics, fall festivals, bingo sessions, and special fund raising events sponsored by parish organizations such as card parties, dances or candy drives. It does not include income generated from the rental of ball fields, concession stands, organization dues, etc. Net fund raising accounts are provided on both the manual and computer bookkeeping systems.

- Mass Intention Offerings

Mass offerings are not considered parish income subject to the assessment calculation.

- USDA Reimbursement

Reimbursements received for the Federal breakfast and lunch program.

- Grants & Subsidies

Archdiocesan and Catholic Education Foundation grants and subsidies are not included in the parish assessment calculation.

- Insurance Expense Recoveries

Insurance expense recoveries are not included in the parish assessment calculation.

- Interest from Funds on Deposit with the Archdiocese

Interest earned on funds on deposit in the Archdiocesan Deposit & Loan Fund is not included in the parish assessment calculation.

- Investment Income from Funds invested with the Catholic Foundation of Louisville

Investment income earned on funds invested in the Catholic Foundation of Louisville is not included in the parish assessment calculation.

- Sales of Land or Real Estate

Gross proceeds from the sale of parish owned land or real property is not included in the parish assessment calculation.

All other parish income is considered assessable income, including, but not limited to the following:

- Collections and tuition, including tuition collected by a parish and paid to a consolidated or regional school or another parish on behalf of the parish or family. (However, payments received by a parish from another parish are not included and therefore are not assessed a second time.)
- Building drives/capital campaigns-If a parish is conducting a building drive or capital campaign that running concurrently with the Catholic Services Appeal, the parish must meet and remit 100% of their CSA goal with parishioner donations and parish contributions.
- Bequests and special gifts (bequests or gifts of land or other non-cash items are not assessable income; proceeds from the sale of these items is subject to assessment)
- Book fees
- Cafeteria income (USDA reimbursement will be non assessable)
- Investment and interest income
- Rental income
- Endowment Campaigns

While the above does not include every form of income a parish may receive, the parish is expected not to look for loopholes, but to consider the intent of the policy and record income in the spirit of the policy.

The parish will compute assessments for the next fiscal year based on parish financial statements for the preceding fiscal year. For example, assessments to be paid during fiscal year ending June 30, 2020 will be based on fiscal year ending June 30, 2019 financial reports. See Appendix for Assessment Worksheet. This worksheet is due with the year-end, June 30th financials no later than August 15th.

Parishes experiencing financial difficulties should consider paying assessments monthly instead of quarterly. If the parish is unable to pay their assessments the pastor must notify the Archbishop in writing stating the reason why the parish is unable to pay. In addition, parish needs to submit a written plan to the Chief Financial Officer on corrective action to be taken to be in compliance.

Assessments are billed quarterly at the beginning of each fiscal quarter. Parishes are required to pay their assessments within 90 days of billing.

Exceptions to this policy must be requested in writing to the Chief Financial Officer.

Payments to the Archdiocese for assessments should be accompanied with the Transmittal Form for Parish/School Payments see *Appendix - Accounting Sample Forms/Reports*.