

ASSESSMENTS – REGIONAL SCHOOL

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:

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, regional schools which are sponsored by parishes (juridic persons) the rate of the assessment has been established at 3.50% of assessable school income.

The ordinary assessment is determined by taking the appropriate percentage times gross regional school income. Gross regional school income is defined as all the income taken in by the school, including income taken in by school organizations. The only exceptions to the gross income rule are the following:

- **Regional School Fund Raising Events**
Only the net income (i.e., income after expenses) from regional fund-raising events is reported as assessable income. This includes events such as school festivals, bingos, and special fund-raising events such as card parties, dances or candy drives sponsored by school organizations. However, it does not include income generated from concession stands, organization dues, etc. as this gross income should be recorded as activity or auxiliary program income.
- **Grants and Subsidies**
Archdiocesan and Catholic Education Foundation grants and tuition assistance awards are not included in the regional school assessment calculation. Subsidies received from supporting parishes are not included in the regional school assessment as they are recorded as income by the supporting parish.
- **Insurance Expense Recoveries**
Insurance expense recoveries are not included in the regional school assessment calculation.

- Interest from Funds on Deposit with Archdiocese
Interest earned on funds on deposit in the Archdiocese Deposit and Loan Fund is not included in the regional school 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 regional school assessment calculation.
- The cafeteria USDA reimbursement is not included in the school assessment calculation.

All other regional school income is considered assessable income, including, but not limited to the following;

- Tuition (However, payments received by a regional school from a parish and reported as income by that parish are not included and, therefore, are not assessed a second time.)
- Special Fund Drives
- Bequests and Special Gifts
- Book Fees
- Cafeteria Income (USDA reimbursement is not included)
- Rental Income
- Endowment Campaigns

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

The Regional School will compute assessments based on the regional school financial statements for the preceding 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. Schools experiencing financial difficulties should consider paying assessments monthly instead of quarterly.

Assessments are billed quarterly at the beginning of each fiscal quarter. Regional schools are required to pay their assessments within 90 days of the billing. **Payment must be accompanied by a Transmittal Form for Parish/School Payments provided in Appendix – Accounting Sample Forms/Reports.**

Regional schools should have a covenant addendum referring to the Archdiocesan assessment. If a regional school closes, the covenant parishes will be responsible for all financial obligations from the operations of the regional school.

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