

2022-23 PARISH BUDGET GUIDELINES

INTRODUCTION

Please read all guidelines before completing your budget. These budget guidelines are to help you in preparing your 2022-23 Budget Certification Form.

Every Parish and Mission MUST complete the Form.

Prepare your budget using all accounts and sub accounts you use to record the revenue and expense activity within your parish books.

ALL FORMS (Budget Certification, Capital Projects Report, and explanation of budget deficit) **ARE DUE TO THE DIOCESE no later than JUNE 30, 2022.**

PLEASE MAIL BUDGET CERTIFICATION REPORT WITH ORIGINAL SIGNATURES.
Also print and attach a copy of the Detailed Budget Report from your system
TO:

DIOCESE OF PUEBLO
BUSINESS & FINANCE OFFICE
101 N. GREENWOOD ST.
PUEBLO, CO 81003-3164
ATTN: JOHN DANELUK

PLEASE KEEP A COPY FOR YOUR RECORDS. WE REQUIRE THAT YOU KEEP BUDGETS ON FILE FOR 3 YEARS.

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2022-23 Budget Form: CERTIFICATION

Top of page.

Indicate the name of Parish or Mission and the city location.

Line 1 - Total Income:

This line will be the **TOTAL PROJECTED INCOME.**

Line 2 - Total Expenses:

This line will be the **TOTAL EXPECTED EXPENSES.**

Line 3 - Net Income (Deficit):

The difference between lines 1 and 2. If anticipating a *deficit*, a full explanation of a) why there is a deficit, b) where you will get the funds to fill the gap, and c) how you intend to address the problem, is required.

Line 4 - Capital Improvement:

If the parish is planning any capital improvements exceeding \$15,000, place a check mark on the "Request Capital Improvement" line and fill in the dollar amount. Follow the same procedure if the parish is planning multiple projects which will exceed \$15,000 in total. Line 4 should agree to the total on the accompanying Capital Budget Form.

Capital improvements exceeding \$15,000 will also need to be presented to the Diocese Financial Advisory Committee by completing and submitting the Project Summary Sheet which can be found on our Finance Office home page.

Line 5 – DMF/AMD Shortfall:

If you have outstanding old debt for 2021 AMD cycle and for any earlier DMF campaign, please enter that amount here. Also include within your budget the amount to be paid in the 2022-23 fiscal year toward old debt. Regular monthly payments should be established based on a reasonable amount the parish can afford.

As a reminder, if you meet your 2021-22 AMD obligation as of September 30, 2022, we will continue to "forgive" 10% of any old debt (e.g., 2021 AMD and earlier DMF).

Line 6 - Parish Council and Parish Finance Committee.

Indicate whether the budget has been approved by both the Parish Council and Parish Finance Committee.

Pastor Signature:

The Pastor must sign and date the 2022-23 Budget Certification Form.

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Contact Person:

Please print the name of the person preparing the budget and able to answer any questions the Diocesan Finance Office may have. Provide the telephone number(s) and email address where the individual may be reached.

PROJECTED INCOME.

Report amounts only in those accounts that are applicable to the parish or mission.

Do not include Mass intentions monies as part of your projected income. Intentions are to be recognized as a liability by the parish, payable to either the priest (one \$10 intention per day allowed to each priest offering a Mass) or to the Office of Vocations (for additional Mass intentions offered by the same priest on the same day).

PROJECTED EXPENSES.

- 1. Priest Base Salary:** The 2022-23 monthly base salary is \$2,300, plus \$10 multiplied by each priest's ordination anniversary.

Priest Food Allowance: Priests receive a negotiable amount as food allowance. The total should not exceed \$300 per month. If another method is chosen (i.e., the Parish is providing rectory food) then the actual cash food allowance should be reduced.

Priest Auto Allowance: Priests also receive an allowance of \$275 per month for auto expense. Ordinarily, the Priest is responsible for the purchase and insurance coverage of his own vehicle. The cash car allowance is intended to cover ordinary maintenance, gas, and mileage within the Priest's assignment. Mileage outside the ordinary acceptable assignment can be reimbursed at .585 a mile (IRS 2022 standard mileage rate). How this applies to mission travel is negotiable. Additional travel outside the ordinary ministry boundaries should be reimbursed by the appropriate entities for which the priest is visiting.

Priest Housing Allowance: The Parish of assignment is responsible for providing housing for its Priest(s), either in a parish rectory or other suitable accommodations. If residing in the rectory, the parish is to cover all needs of the rectory - such as utilities, insurance, repairs and maintenance (including mowing, pest control, etc.). No housing allowance is paid in this instance.

If, however, the Priest owns his own living accommodations, a suitable housing allowance will be provided by the Parish – the amount of which is agreeable to the Parish, and is reasonable for the area as well as the current financial climate.

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Priest Taxation: For taxation purposes, Priests are labeled “Dual Status Taxpayers”. Therefore, the employer does not withhold for or pay any FICA and Medicare taxes on his behalf. Priests are considered self-employed for FICA and Medicare taxes and are responsible for paying them on IRS Schedule SE when filing their individual income taxes.

The following wages are subject to State and Federal Tax and are therefore reported on each Priest’s W-2:

- Salary
- Food allowance
- Auto allowance
- Mass stipends/Other sacramental fees

Housing allowance is non-taxable for State and Federal income tax and is therefore not reported in Box 1 of their W-2 (however, do report any housing allowance paid in Box 14 of their W-2).

The IRS prohibits employers from also issuing a 1099-Misc to employees. Therefore, Priests should only receive a 1099-Misc from other parishes compensating them for performing various sacramental rites as a substitute or back-up at that parish. This would include stole fees and Mass intention monies received.

2. **Employer’s FICA:** The rate is 7.65% (6.2% Social Security, 1.45% Medicare) which applies to all lay employees and deacons.
3. **Property and Liability Insurance Premium:** At this point we anticipate an increase of 8% for 2022-23. The change in pricey will be primarily driven by property valuations because of inflation in the construction market. We should have the final rate increase from Catholic Mutual no later than 05/31/2022.
4. **Workers’ Compensation:** The current 2022 rates are \$2.34 high risk and \$0.35 low risk per \$100. The anticipated 2023 rates are \$2.58 high risk and \$0.39 low risk per \$100.
5. **Health, Dental and Life Insurance:** Our renewal rates will increase 5% for the upcoming 2022-23 fiscal year.

In addition to the above insurance premiums paid by the parish, each Priest is also eligible to receive up to \$2,500 reimbursement from the parish for out-of-pocket medical expenses they incur (co-pay’s, prescriptions, deductibles).

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6. **Clergy Benefit Society Assessments:** All parishes are assessed 3.75% of their total offertory collections. CBS is payable monthly. Distribution to the Retirement Funds of Religious or other Extern Priests working within the Diocese is done by established agreement.
7. **403(b) Retirement – Employer Matching:** Although anyone can participate by having monies withheld from their regular paycheck, only lay persons and deacons working at least 20 hours per week on average are eligible to receive up to 3% employer matching on their gross wages.