**Annual Parish Assessment Worksheet**

**Parish Assessment Calendar:**

1. By August 31, 2019: Accounting & Finance uses all General Ledger revenue and approved expense account balances for the 12 months ended June 30, 2019 to populate each parish’s preliminary Parish Assessment Worksheet.
2. By September 15, 2019: The parish’s preliminary Parish Assessment Worksheet is distributed via email to pastors, business managers and bookkeepers for review, comment and approval.
3. By October 1, 2019: Parish to review the preliminary Parish Assessment Worksheet and submit for review any proposed corrections or adjustments using Worksheet “Proposed Column 3 Revised” including “Explanation” of the changes requested. The completed Worksheet is to be emailed to tlh@dosp.org no later than October 1, 2019. Questions can be addressed to Tom Heironimus 727.344.1611 x 5469 or tlh@dosp.org. Requested changes will be reviewed based on guidelines established by the Presbyterial Council.
4. No later than October 15, 2019: If proposed corrections or adjustments have not been resolved, the pastor is to send a letter of appeal to Frank Murphy, Secretary of Administration. If no letter is submitted by October 15, the Worksheet provided to the parish (with approved adjustments, if any), will be considered final.
5. November 1, 2019: Parishes that submitted a letter of appeal will receive a written response via email. Parish Assessment amounts are finalized and submitted to Stewardship and Development.
6. November 15, 2019: Final parish assessments mailed to the pastors by the Vicar General.
7. December, 2019: A meeting will be scheduled to review strategies and communications tools for the 2020-2021 Annual Pastoral Appeal.

**Parish Assessment Worksheet data sources for 2020-2021 assessment:**

* Primary Source (from the parish’s Parishsoft General Ledger):
	+ Statement of Activities, June 2019:, YTD Actual Column printed August 23, 2019 showing revenue and expenses
	+ Statement of Financial Position, June 2019 Year to Date Change column printed August 23, 2019 showing assets, liabilities and net assets.
* For verification of general ledger account balances Accounting & Finance uses these additional data sources:
	+ Annual Pastoral Appeal Report provided by the diocesan Campaign Processing Office for the 2018-2019 campaign as of February 25, 2019
	+ Accounting & Finance Accounts Receivable for the Annual Parish Assessment for June and July, 2019
	+ Diocesan Savings & Loan Reports for FY 2018-2019 for the following:
		- Campaign Savings for approved projects
		- Earnings and distributions from endowments and other permanently restricted savings accounts
		- S&L Loans
		- Parish Assessment Savings
	+ SunTrust report of outstanding loan balances

**Total General Ledger Revenue (Line 1, column 1)**

* Includes parish revenue recorded in the general ledger for all parish functional account codes (4000 through 4900), parish categories and cost centers.
* Total General Ledger Revenue as reported has been reduced for the following:
	+ I-01-03-00-4800 Sale of Assets (Gain/Loss): Parish, is not assessable revenue if proceeds are from real estate.
	+ I-01-03-00-4850 Insurance Proceeds, is not assessable revenue.
* Total General Ledger Revenue as reported has been increased for any withdrawals from your Parish Assessment savings account not used for payment of the 2018-2019 Parish Assessment.
* Total General Ledger Revenue as reported has been increased or decreased based on comparing the final APA Contributions as recorded in the General Ledger with the Pastoral Center Campaign Processing Report for the 2018 – 2019 APA Campaign issued Febuary 25, 2019. The General Ledger account balance will be adjusted for the difference. The Parish will receive an email if an adjustment to Total Revenue is necessary. Please review carefully and contact Tom Heironimus if there is a problem with the adjustment.
* **National and Missionary Co-Op Collections should not be recorded as General Ledger Revenue.** DOSP Accounting Best Practice recommends that National Collections be recorded in the appropriate General Ledger Liability account (L-01-2330-00 through L-01-2330-11). **If you have recorded these collections as revenue, contact 727-344-1611 x 5469 or** **tlh@dosp.org** **for assistance.**

**Non-Assessable Revenue included in Line 1:**

**Estates & Bequests (Line 2, column 1)**

Estates and Bequests processed by the Pastoral Center Tribunal Office that were recorded as General Ledger Revenue during FY 2018-2019 are exempt from Assessment. The amount recorded in General Ledger account I-01-03-00-4170-00, Estates & Bequests: Parish, has been entered on Line 2, Column1 of Parish Assessment Worksheet.

**Diocesan Subsidy/Forward in Faith Distributions (Line 3, column 1)**

Diocesan subsidies and other diocesan payments, including Forward in Faith distributions, that were recorded as General Ledger Revenue during FY 2018-2019 are exempt from Assessment. The amounts recorded in General Ledger Revenue Functional Account Code: 4300 have been entered on Line 3, Column1 of Parish Assessment Worksheet. **Best Practice**: Forward in Faith distributions received by the parish should be recorded in General Ledger Revenue account I-01-03-00-4300-25.

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**Approved Capital Campaign Contributions (Line 4, column 1)**

In order for donations received for a parish capital project to be deductible the following are required (whether processed by the Pastoral Center Campaign Office or the parish):

1. The capital project must have been approved in writing by the Bishop’s office
2. The letter of approval must indicate the campaign is exempt from Assessment.

Donations received for approved capital projects that meet the above two requirements are to be recorded as parish revenue using General Ledger Revenue account I-01-03-00-4200-00, Approved Capital Campaign Contributions, and are entered on Line 4.

**Poor Box (Line 5, column 1)**

Donations received from the parish’s Poor Box recorded in General Ledger Revenue account I-01-13-18-4160-01, Donations: Poor Box Collections are exempt from Assessment and are entered on Line 5.

**Mass Stipends Received (Line 6, column 1)**

Donations received for Mass Intentions recorded in General Ledger Revenue account I-01-10-01-4170-00, Mass Stipends Revenue are exempt and are entered on Line 6. Notes: Only Mass Intentions are to be recorded in the above referenced account.

**Non-Assessable Net Surplus from Fundraising include in Line 1:**

**Gross Fundraising Revenue (Line 7, Column 1)**

Enter parish revenue recorded in functional Account Codes:

* 4501: Entity Wide Fundraising Revenue
* 4502: Merchandise Sales
* 4503: Rental Income

**Direct Cost recorded as Revenue (Line 8, Column 1)**

The cost of fundraising events should not be recorded as a debit or offset to Gross Fundraising Revenue. If the cost of fundraising events were debited to a revenue account, the assessment calculation must be corrected by entering the amount on both Lines 1 and 8, Proposed Column 3 Revised.

Best Practice: It is recommended that costs not be recorded as an offset to revenue.

**Direct Cost recorded as Fundraising Expense (Line 9, Column 2)**

The direct cost of entity-wide fundraising events recorded as expense to ParishSoft General Ledger Cost Centers 93 through 96 has been entered on Line 9, column 2.

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| **Net Surplus from Fundraising Revenue (Line 10, Column 3)**The amount of deduction from Total General Ledger Revenue is limited to the lesser of 50% ofGross Fundraising Revenue, Line 10, column 1 (Line 7, Column 1 + Line 8, column 1) or the direct cost of fundraising, Line 10, column 2 (Line 8, column 2 + Line 9, column 2) whichever is less. The amount calculated is populated to Line 10, Column 3 based on the above. **Endowment & Trust Revenue/Distributions:****Endowment & Trust Gains/(Losses) (Line 11, column 1 & 3)**Gains in market value of trusts and endowments recorded as General Ledger Revenue using General Ledger Revenue account I-01-03-00-4605-00, Endowment Earnings, are deductible. However, in many cases, the general ledger accounting for endowment gains/losses was not accurate. Therefore, the FY 2018-2019 monthly gains and/or losses in market value reported to the parish by the Diocesan Savings & Loan have been entered on Line 11, column 1 and, if necessary, Total General Ledger Revenue (Line 1, Column 1 and 3) has also been adjusted to reflect this amount. **Endowment & Trust Distribution (Line 12, column 1 & 3)**Best Practice: It is recommended that trust distributions be recorded as an asset transfer from the endowment account to the operating cash account. Distributions received are assessable. However, in many cases, the general ledger accounting for endowment distributions was not accurate. Therefore, the actual distributions received during the fiscal year as reported by the Diocesan Savings & Loan have been entered on Line 12, column 1 and, if necessary, Total General Ledger Revenue (Line 1, Column 1 and 3) has also been adjusted to reflect this amount.  |

**Reductions in Revenue for approved deductions:**

**Standard Parish Exemption (Line 13, Column 3)**

The standard revenue exemption for all parishes and missions is $100,000. The standard exemption was established to provide a deduction for parish expenditures for liturgy, faith formation, outreach and other miscellaneous church related expenditures.

**Current Year Parish Assessment Paid (Line 14, Column 1)**

Line 14, Column1 includes amounts donated by parishioners for the current year’s APA campaign and parish campaign payments made during the campaign year for expected shortfall recorded in General Ledger Expense account E-01-14-97-5200-00, Parish Assessment. Note: The amount used for deduction purposes cannot exceed the parish’s actual assessment or, in the case of a shortfall, the actual amount paid.

**School Support & Tuition Assistance (Line 15, columns 1-3)**

The amount to be entered on Line 14, column 1 is the total amounts recorded in the following General Ledger Expense accounts:

* E-01-15-98-5210-00, School Assessment: Diocesan
* E-01-15-98-5215-00, School Support: Trans to Schools
* E-01-15-98-5220-00, School Support: Tuition Assistance

The revenue exemption is limited to a maximum of $100,000 (see Line 15, column 2) or total school support and tuition assistance payments made if less than $100,000. This amount is automatically calculated and populated to Line 15, column 3.

**Principal Reduction Payments (see Line 16, columns 1-3)**

Line 16, column 1 is for the total amount of loan principal payments made. The interest expense portion of payments made is not deductible. Not all principal reduction payments are deductible. Payments on Parish Assessment loans are not deductible. Principal reduction payments made with already deducted funds for assessment purposes such as Campaign Contributions and Bequests are not deductible. Principal reduction payments made from other parish sources may be deductible. The revenue exemption is limited to the lesser of the maximum allowable deduction of $100,000 (see Line 16, column 2) or the total principal reduction payments actually made. This amount is automatically calculated and entered on Line 15, column 3.

Best Practice for recording debt service payments:

* Debit: L-01-2700-04 through L-012700-11, Notes Payable DOSP APA Deductible, to record the principal reduction part of the payment.
* Debit: E-01-31-25-5661-00, Interest Expense: Gen Admin, to record the interest expense portion of the payment.
* Credit: A-01-1100-00, Checking: Main Operating (Bank Name), or other appropriate cash account to record the total amount of the payment.

**Special Event Fees Received for ministry events (Line 17, column 1)**

**Please review this potential deduction carefully**. It is the parish’s responsibility to detail amounts requested as a deduction (send to tlh@dosp.org). Funds collected for faith formation and other parish ministry special activities, such as youth ministry trips, retreats, etc., recorded in General Ledger Revenue functional Account Code 4020, Program Income are deductible and are to be entered on Line 17, column 1. Funds collected from regular faith formation activities, such as registration fees for religious education, are not deductible.

Best Practice: Funds collected for special parish ministry events, such as youth trips, should not be recorded as Program Income (see account code 4020 which includes multiple cost centers and subaccounts). It is recommended that funds collected be recorded as follows:

Debit: A-01-1100-00, Checking: Main Operating (Bank Name), to record funds collected

Credit: L-01-2500-00, Funds Held in Trust for Others, (several sub-accounts are available) to establish the liability for future payment of event expenses.

To better track revenue and expense for each ministry special event it is recommended that the ConnectNow Projects feature be used.

**Assessable Parish Revenue (Line 18, column 3)**

Calculated by deducting from Total General Revenue (Line 1, Column 3) all amounts included in Lines 2 through Line 17, column 3.

**Assessment Rate calculation (Line 19, column 3):**

1. Total Assessable Parish Revenue for all parishes and missions for all parishes and missions
2. Divide the total parish assessment established by the Bishop by Total Assessable Parish Revenue to determine the Assessment Rate.

**Parish Assessment (Line 20, column 3)**

Multiply the Assessment Rate by each parish’s Assessable Parish Revenue to determine the Parish Assessment.

**Effective Assessment Rate as a % of Total General Ledger Revenue (Line 21, column 3)**

Divide the parish’s Annual Assessment Line 20, Column 3 by Total General Ledger Revenue (Line 1, column 3) to calculate the Effective Assessment Rate which represents the share of the parish’s total revenue that will be used to support diocesan-wide ministries.