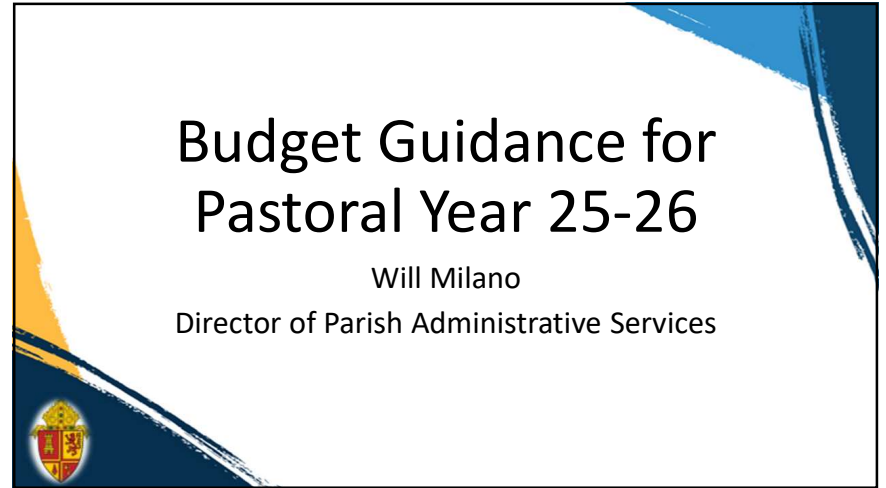
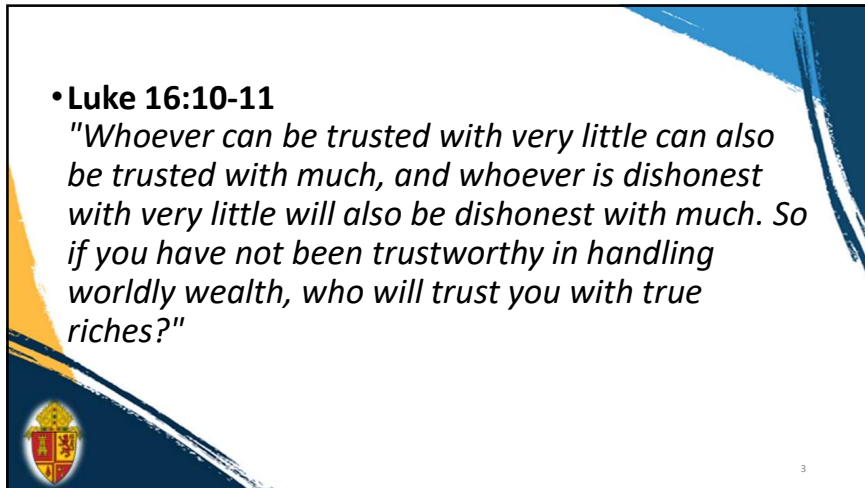




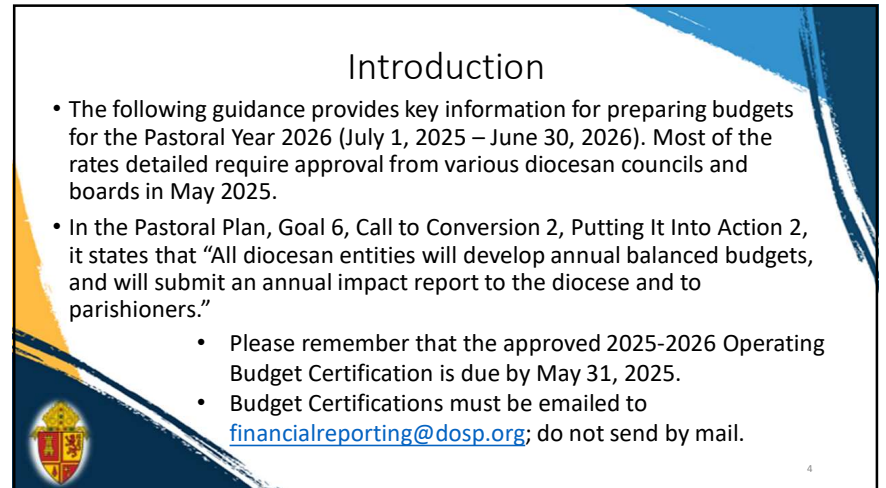
1



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4

## Introduction

- Involve all ministries/leadership groups in the budgeting process
  - Ownership
  - Accountability
- Assign a liaison from the Finance Council to help leaders develop budgets from within the guidelines
  - Show how they plan to carry out the mission and values of the church/school
- Mission-based budget
- Role of Finance Council:
  - Assuring the Mission, Vision and Pastoral Plan of the Parish are reflected in the Budget

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## Introduction

- Develop your Revenue Projections
  - Not a “plug-and-fill”
  - Pledged-based offertory makes this easier
- After Revenue Projections:
  - **CREATE YOUR “MUST FUNDS”**
    - Items you would have to still fund if a disaster hit and you had no money coming in.

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## Must Funds

- **Your Sunday Envelope and online giving fees are must funds!**
- **It is our primary means for achieving revenue, even when parishioners miss Mass**

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## Must Funds

- **Must Funds include:**
  - Priest salaries & benefits
  - Utilities
  - Loan Repayments
  - Assessments for Cathedraicum and School Support
  - Insurance
  - Lay salaries & benefits are second tier “must funds”

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## Must Funds

- A good starting point is looking at current, actual expenses v. budgeted amount
  - If actual amount is exceeding budgeted, budget that amount first plus any increases you may be expecting
  - Sometimes, we receive mailings or notifications that rates will be increasing
    - Examples: payroll vendor, utilities, bank fees, etc.

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## Maintenance v. Mission

- Don't spend it – plan it!
  - Revenues exceed expectations and expenses are less than expectations
- We want to reach a point where we are accomplishing our Mission and planning to do new things
  - We can not do that if we are always doing maintenance

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## Budget Timeline

- September:** Assign Budget Liaisons from Finance Council
- November:** Adopt Budget Process & Timeline
- December:** Pastoral Council provides budget priorities per plan
- January:** Revenue Projections
- February:** Develop Must Funds, Preliminary Budget, and Budget Instructions
- March:** Ministries develop their budget
- April:** Incorporate Ministries budget into new Budget
- May:** Review Budget with Finance Council. If no problems, approve budget
- June:** Send Budget to Diocese & Ministries
- July:** New Budget goes Live

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## Insurance and Employee Benefit Funds' Trust

- **Group Health Insurance:**
  - The estimated employer's monthly health insurance premium for benefits-eligible employees is \$1,071 per month.
  - Health insurance premiums for priests should be budgeted at:
    - \$1,528 per month – DOSP Primary
    - \$818 per month – Medicare Primary
- As required by law, coverage **must** be offered to all full-time regular employees, but coverage is no longer mandatory, and employers will not be billed for employees who waive coverage. ACA fines can be very costly to a parish/school.

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## Insurance and Employee Benefit Funds' Trust (cont.)

### • Workers' Compensation Insurance:

- Rates for the upcoming year will remain as follows:
  - Clergy, office & professional employees 1.0% of annual wages
  - All other employees 5.0% of annual wages
- Note: Independent contractors and other non-employees working on Diocesan property must be registered with the Safe Environment Office. They must provide evidence of General Liability, Professional Liability, and Workers' Compensation insurance coverage as applicable
- In addition to the levels of coverage, they need to name the Bishop, Diocese, and subsidiaries as additional insured using the verbiage below:

*Gregory L. Parkes, as Bishop of the Diocese of St. Petersburg, a corporation sole and the Diocese of St. Petersburg, Inc., and affiliated entities as their interests may appear are listed as additional insured.*



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## Insurance and Employee Benefit Funds' Trust (cont.)

### • Unemployment Compensation Insurance:

- Rates for the upcoming year will be:
  - 1.5% of the first \$7,000 of W-2 wages for all full and part-time lay employees paid in the 2024 calendar year – remitted to the Diocese
- Note: DO NOT REMIT ANY PREMIUMS OR CLAIMS PAYMENTS TO THE STATE. We are self-insured; the trust will reimburse the state for all benefit claims.
- Group Life Insurance:
  - \$7.00 per benefits-eligible employee per month – remitted to Guardian
- LTD / STD Insurance:
  - \$18.00 per benefits-eligible employee per month – remitted to Guardian



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## Insurance and Employee Benefit Funds' Trust (cont.)

### • Property and Liability Insurance:

- Property replacement values have increased by 10% this year
- Amount invoiced will be calculated at \$6.20 per \$1,000 of property value
- Note: Entities are responsible to submit a **Building Report Form** for:
  - Newly purchased structures
  - New construction
  - Newly remodeled structures
- Premiums will be adjusted following an appraisal
- **New buildings may not be covered if the Insurance Office has not been notified with 30 days of purchase**



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## Insurance and Employee Benefit Funds' Trust (cont.)

### • Automobile Insurance

- Will remain at the following rates:
  - Collision and Liability Coverage for licensed vehicles:
    - Small Vehicles (4 wheels) \$1,000 per year
    - Large Vehicles (more than 4 wheels) \$2,500 per year
  - Liability Coverage only, for unlicensed vehicles:
    - Tractor \$500 per year
    - Trailer or Golf Cart \$250 per year
- **Claims will not be processed for uninsured vehicles**



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## Insurance and Employee Benefit Funds' Trust (cont.)

- Annual Billing estimates will be given out TODAY! Yay!
- Entities are responsible for reviewing to ensure all building & vehicles are correct.
  - Any changes needed should be reported immediately to the Insurance Office.
- Entities may reduce their P & L, vehicle, and workers' compensation billing by prepaying the entire year's premium by June 1, 2025. More information will be given with your Annual Billing Estimates.
  - Per John Dey, a 5% reduction will be applied for all premiums paid in full for the fiscal year, if post marked by June 1<sup>st</sup>!

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## Other Insurable Events

- Special Event Insurance is required for Festivals, Carnivals, and any event where liquor is sold.
  - Liquor Liability coverage must also be obtained.
  - Parish sponsored events covered under the DOSP policy hold a \$5000 deductible. Deductibles are waived on any parish sponsored event with special event insurance in place.
- Non-parish sponsored event – Premium Cost:
  - \$110 – Per Event (1-3 days in duration)
  - \$140 – Per Event (1-3 days in duration AND includes overnight stays)

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## Diocesan Assessments

- The assessment methodology calculates Assessable Net Revenue as the total of eight offertory accounts, less a deduction for Catholic School Support of up to \$100,000.
- The total of the following eight offertory general ledger functional general ledger account codes equals Gross Assessable Revenue: (account code shortcuts in parentheses)
  1. Offertory: Weekend/Electronic: 4000 (100400000)
  2. Offertory: Christmas 4001 (100400100)
  3. Offertory: Easter: 4002 (100400200)
  4. Offertory: Holy Days: 4003 (100400300)
  5. Offertory: Weekday Mass: 4004 (100400400)
  6. Offertory: Special Masses: 4005 (100400500)
  7. Building Fund & Maintenance Collection: 4120 (100412000)
  8. Donations: Parish: 4160 (100416000)

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## Diocesan Assessments (cont.)

- Net Assessable Revenue is calculated by deducting up to \$100,000 for Catholic School Support recorded in the following 3 general ledger functional account codes: (account code shortcuts in parentheses)
  1. School Assessment: Diocesan: 5210 (198521000)
  2. School Support: Transfer to Schools: 5215 (198521500)
  3. School Support: Tuition Assistance: 5220 (198522000)

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## Diocesan Assessments (cont.)

- The Net Assessable Revenue is used to calculate the following 3:
  - **Catholic Ministry Appeal**
    - Campaign to support 36 diocesan ministries
    - Each parish is assigned a goal of 14% of net assessable revenue for the prior fiscal year
    - The campaign requires full and active participation by each parish



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## Diocesan Assessments (cont.)

- **Parish Cathedraticum Assessment**
  - The fiscal year 25-26 Cathedraticum is calculated as 2.0% of Assessable Net Revenue for the period July 2025 through June 2026
  - Will be invoiced monthly beginning in July and payable in 12 monthly payments
  - Paid the 15<sup>th</sup> of the following month
  - To estimate for the coming year, generate the Cathedraticum Invoice custom report for fiscal year 25-26 after loading budgeted offertory and school support expenses into the budget module.
    - Please only use the accounts listed on slides 11 & 12



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## Diocesan Assessments (cont.)

- **Parish Support of Catholic Schools**
  - The fiscal year 25-26 School Support Assessment is calculated as 4.0% of Assessable Net Revenue for the period July 2025 through June 2026
    - This restores the previous rate cut due to COVID-19 and will be used to support the new Mater Dei Catholic School mortgage payments
  - Will be invoiced monthly beginning in July and payable in 12 monthly payments
  - Paid the 15<sup>th</sup> of the following month



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## Important Info from Finance Department

- When writing checks, the **DOSP – Pastoral Center**, the **DOSP – Insurance Trust Fund**, the **DOSP – Savings & Loan** are considered separate entities with their own bank accounts. Please ensure you are selecting the correct vendor when writing a check for an invoice.
- When paying Diocesan bills (e.g.; health insurance, P&L, etc.), please include the invoice number from your Diocesan bill on the check and in Parishsoft so it is applied to the correct invoice.
- When requesting funds from the Parish's Savings & Loan account, please include the account number (e.g.; 8001-001D). This saves the Finance department time when processing the request.



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## Important Info from Finance Department (cont.)

Bill #	Invoice #	Inv. Date	Comment	Amount	
13226		3/28/2025		8,215.92	PA Parish Assessments
13226		3/28/2025		22,795.00	EB Employee Benefits
13226		3/28/2025		12,382.23	PL Prop & Liab

- When requesting funds from the Parish's Savings & Loan account, please include the account number (e.g.; 8001-001D). This saves the Finance department time when processing the request.

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## Savings And Loan Funds Trust

- Rates are variable floating rates and will be adjusted according to market conditions. The rates below are presently in effect:
  - Rates as of March 10, 2024:
    - Interest paid on savings accounts - **3.0%** per annum
    - Interest charged on new loans with promissory notes - **5.0%** per annum
    - Interest charged on past due assessments/insurance/pension - **6.0%** per annum
- Note: Grace Period for Accounts Not Held in the Diocesan Savings & Loan or Catholic Foundation:
  - The grace period for funds in excess of 60 days of operating access **must be** transferred no later than June 15, 2025, into either the Savings & Loan Trust Fund or the Catholic Foundation of the Diocese of Saint Petersburg investment vehicles.

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## CSREA and Endowed Funds

- Next year's distributions have not been approved yet by the Catholic Foundation Board of Trustees, but you should plan on an annual distribution of 4.5% of the balance as of June 30, 2025 payable in the fall and spring.
- Accounting best practices for endowed funds is provided on the diocesan website Accounting & Finance Office page.

DOSP – Accounting and Finance Webpage



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## Lay Wages

- Increases in salaries and hourly rates are the responsibility of the Pastor.
- For FY 25-26, assume a 3.0% increase per employee
  - Note: increases are not limited to 3.0%
- Lay wage increases are not to be increased by more than the percentage increase in the six (6) offertory accounts listed below for Jan 1, 2024 to Dec 31, 2024 compared to Jan 1, 2023 to Dec 31, 2023.
  - Offertory: Weekend/Electronic: 4000 (100400000)
  - Offertory: Christmas 4001 (100400100)
  - Offertory: Easter: 4002 (100400200)
  - Offertory: Holy Days: 4003 (100400300)
  - Offertory: Weekday Mass: 4004 (100400400)
  - Offertory: Special Masses: 4005 (100400500)

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## Priests and Religious Salaries & Allowances

- Compensation and Benefits for Priests booklet has already been published
  - Please contact Chancellor of Canonical Affairs office, if more information is needed
- For Pastoral Year 2025-2026, budget clergy compensation and budget allowances on the following rates:
  - Annual Priest Compensation:
    - Pastors/Parochial Administrators \$43,198
    - Parochial Vicars \$37,894
  - The above rates represent a 3.0% increase over the current Pastoral Year.



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## Priests and Religious Salaries & Allowances (cont.)

- Allowances and Reimbursed Expenses:
  - Actual Cost to:
    - Automobile Insurance \$2,500
    - Books, Periodicals, Internet, Phone \$1,000
    - Continuing Education \$1,750
    - Private Retreats \$1,000
  - Room & Board for Priests in Residence \$9,000
  - Automobile Tag and Driver's License Actual Cost
  - Diocesan Convocation Actual Cost

Note: Funds not expended from the allowances for books, periodicals, internet, phone, and continuing education may be used toward the purchase of a computer once every three years.



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## Priests and Religious Salaries & Allowances (cont.)

- Permanent Deacons are provided the following benefits:
  - Annual retreat actual cost to \$600
  - Formation opportunities provided by the Diocese actual cost to \$300
  - Annual books, periodicals, internet, phone actual cost to \$500
- Stipends and Allowances for Women Religious and Order Priests:
  - All stipends and allowances are paid directly to the Religious Order
  - Form W-9 required to show payments not subject to federal tax withholding



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## Pension Plan

- Use the following monthly pension rates for employees with more than 1,000 hours in Fiscal Year 24-25:
  - Active Incardinated priests \$1,700.00 per month
  - Lay personnel 11% of 2024 gross wages
- Religious/Extern Priests not included in the above Plan:
  - Premium payable to Priest's home diocesan retirement plan, equal to the actual amount of the plan's premium up to a maximum of \$7,200.
  - For a Priest without a retirement plan in their home diocese, parishes must budget a contribution of \$5,750 per year to the Diocesan 401(k) plan.



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## Pension Plan (cont.)

Example of a Lay personnel Pension Plan Salary History and Service History:

Date of Employment: 10/11/2022

### Salary and Service History

Salary History		Service History		
Ending Date	Salary	Ending Date	Hours	Years
12/31/2022	15,000.00	06/30/2023	1,380.00	

Please note: Salary is based on **calendar year** gross wages. This includes all earnings except employer HSA (ERHSA) and group term life (GTL).

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## Payroll Taxes

- Budget for the following rates for personnel subject to payroll tax withholding:
  - Employer Tax per Employee:
    - Social Security Tax 6.20% of gross wages
    - Medicare Tax 1.45% of gross wages

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## Employee And Covered Volunteer Background Screening

- All employees and covered volunteers working in the Diocese of St. Petersburg are required to have a background screening performed in accordance with the DOSP Policy for the Protection of Children and Vulnerable Adults, administered by the Safe Environment Program Department.
- Employee/volunteer must pay for the background check and fingerprinting.
- Employing entity may choose to reimburse the cost
  - If your entity reimburses these costs, budget for the following rates:
    - \$58.50 per employee
    - \$51.50 per volunteer

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## Annual Financial Reviews

- Approx. 1/3<sup>rd</sup> of all parishes will be reviewed by our auditor each year
- Budget \$3000 for this annual financial review
- Budget for payment during August 2025
  - Parishes will be notified for the 2025 review in April

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## Sales Tax Exemption

- The parish is authorized to use its state sales tax exemption solely for purchases made directly for parish-related purposes.
- To ensure compliance with state laws and the proper use of the exemption, only the following payment methods are permitted when claiming the exemption:
  - Parish-Issued Check
  - Parish-Issued Purchasing Card
- Personal payment methods, including cash, personal checks, or personal credit/debit cards, must not be used to claim the parish's sales tax exemption under any circumstances.
  - Reimbursement requests for purchases made with personal funds where the sales tax exemption was claimed will not be accepted.
  - **Use of the sales tax exemption for personal purchases is strictly prohibited**



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## Planning for Capital Expenses

- If your finance council does not have a plan to replace or pay for capitalized items, budget funds for capital items
- Simple way to is take square footage of all buildings and multiply by a dollar figure determined to be appropriate by your finance council

Example for budgeting purposes:

	Square Footage	Multiplied by Capital Fund Rate	Equals Capital Funds to set Aside
Parish Office	7,410	\$1.25	\$ 9,262.50
Sanctuary	17,118	\$1.25	\$ 21,397.50
Rectory	7,595	\$1.25	\$ 9,493.75
Maintenance Building	2,900	\$1.25	\$ 3,625.00
Parish Hall	15,518	\$1.25	\$ 19,397.50

- If you don't use all budgeted funds, place the funds that remain in an S&L designated account and use as needed in the future.



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## Questions/Comments

- Will Milano
  - 727-317-4575
  - [wmilano@dosp.org](mailto:wmilano@dosp.org)
- Diana Geritano
  - 727-344-1611 x5466
  - [dgeritano@dosp.org](mailto:dgeritano@dosp.org)

Thank you!



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