

**Roman Catholic Archdiocese of Indianapolis**

**Budget Guidelines**

## Fiscal Year 2024-25

These guidelines are to be used in the preparation of fiscal year 2024-25 budgets for the parishes, schools, agencies, and Catholic Center departments of the Roman Catholic Archdiocese of Indianapolis. These entities are referred to collectively hereinafter as “locations”. Fiscal year 2024-25 covers the period of July 1, 2024 through June 30, 2025. The budget guidelines and any subsequent budget updates can be found on our website at <https://www.archindy.org/finance/parish/guidelines.html>.

The Archdiocese of Indianapolis Budget Guidelines is a combined document for parishes and schools as well as agencies and Catholic Center departments. The information throughout the document applies to all organizations of the Archdiocese of Indianapolis, unless specifically noted otherwise. We will highlight areas specifically related to parishes and schools in green and agencies and Catholic Center departments in orange. Throughout the document, we will also reference Sage Intacct general ledger accounts that apply only to Catholic Center departments and those agencies using Sage Intacct as their accounting system.

The budget guidelines were prepared using two primary sources of data: (1) parish data obtained from the June 30, 2023 Parish Annual Financial Reports, and (2) parish shared service plan results through December 31, 2023 and estimated plan performance for the remainder of the current fiscal year. The budget guidelines issued at this time are based on the **best available information and assumptions.** These assumptions may change out of necessity as the current fiscal year progresses. If significant variances from these assumptions can be quantified, they will be communicated to you directly — and as soon as possible.

We acknowledge that in many of our locations are still feeling the challenge of continuing the mission of the Church and managing funding levels while the economy and the world deals with real inflation pressures driving costs of goods and services higher. Over the past 4 years, especially as we balanced the added difficulties brought on by the pandemic, we have made every effort to hold expenses down or level with the previous budget years. The cost of offering our parish shared service plans has risen drastically in recent years; we have done our best to stabilize the increase in the rates we charge for these services, made possible due in part to the endowments supporting our parish shared service plans. The culmination of multiple years of rising costs will result in some increases for several of the plans for the fiscal year 2024-2025 budgeting process, especially in the healthcare sector. However, we continue to manage all the parish shared service plans in a fiscally responsible way looking for ways to control costs within the plan thus minimizing the increases assessed to locations, while maintaining value added services to protect our employees and Church assets. We recognize that in future years we are likely to experience the continuation of pricing and economic pressures that may result in what we hope can be only nominal increases.

The table below summarizes the areas where rates and assessments have decreased, been held level, and increased:

|  |  |  |
| --- | --- | --- |
| **Rates and Assessments Decreased** | **Rates and Assessments Held Level** | **Rates and Assessments Increased** |
| * Power School for high school students
* Workers Compensation Insurance Premium Rates
* Indianapolis Education Assessment rates
 | * Cathedraticum Assessment rate
* Student accident insurance rates
* The amount of the Clergy Healthcare Assessment
* Lay Retirement Assessment rate
* Amount of Permanent Deacon Professional Development Assessment
* Catholic School Administrators Professional Development / Business Meetings Assessment
 | * Power School for grade school students
* Employer and employee healthcare premiums
* Property Insurance Premium rates
* The amount of the Safe Environment Program Assessment
* Background checks fees
* Criterion subscription rates
* Vehicle insurance
 |

Locations should budget **REALISTICALLY** based on the best available information at the time you are budgeting. As such, keep in mind that all revenues should be budgeted conservatively, and expenses should be managed wherever possible. For example, do not budget enrollment increases without evidence of paid registrations; do not budget a 5% increase in Sunday collections if for the past five years the increase has always been 2%; never budget revenues from bequests; assume that something will break and require replacement or repair and budget for the replacement cost; do not cut maintenance expenses simply to “plug” the budget to balance to zero, etc. Hopefully, these budgeting principles will steer you clear of financial difficulty or at the very least will help you to realistically address problems sooner (when they are more easily fixed) rather than later.

Our expectation is that all locations will submit a balanced budget. However, we recognize the financial challenges that these past several years have presented to all of our locations. Within the budget approval form in Appendix D, we have created space for you to provide a budget narrative for your location. For example, *what challenges are you facing? If your budget isn't balanced, how will you cover the shortfall? How long can you sustain the unbalanced budget based on current operating and savings cash? What is your plan for making changes that will allow you to balance your budget next year? Would you like assistance from the Archdiocese with analyzing your budget and operations?* If you are having trouble balancing your budget or need assistance with reviewing your budget, Stacy Harris (sharris@archindy.org) or Erich Bangert (ebangert@archindy.org) from the Archdiocese Finance team are willing and able to help. All other budget questions can be directed to the Office of Accounting Services (OAS) at accountingservices@archindy.org or 317-236-1410.

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* Capital Expenditures Budget Form
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**BUDGET TIMELINE AND INSTRUCTIONS – PARISHES AND SCHOOLS**

Budgets should be completed and submitted to OAS for review on or before **June 13, 2024.** Budgets may be submitted in the format used by the parish or school. Please complete the budget approval form with the signature of the pastor, administrator or principal indicating the budget has been reviewed and approved. A blank Budget Approval Form is included as a tab within [Appendix D](#Appendix_D2). The completed budget and signed budget approval form should be e-mailed to accountingservices@archindy.org.

**BUDGET TIMELINE AND INSTRUCTIONS – AGENCIES AND CATHOLIC CENTER DEPARTMENTS**

The term “Agency” includes the Catholic Charities agencies (CCI, CCB, CCTC, CCTH, THCCFB, St. Elizabeth Catholic Charities, and CCAoI Disaster Relief), St. Mary’s Child Center, Catholic Youth Organization, CYO Camp Rancho Framasa, and the Mother Theodore Catholic Academies (MTCA). Included within “Catholic Center Departments” are the various Catholic Center offices, Our Lady of Fatima Retreat House, and Bishop Simon Brute College Seminary.

Agency and Catholic Center Department budgets for fiscal year 2024-25 must decrease or remain level with budgets from 2023-24 **(*inclusive*** of any wage increases). We are asking agencies and departments to thoroughly review the budget and previous history and determine where budget savings can be found. We would like for each department to determine mission priorities and budget accordingly. Adherence to the following guidelines does not automatically mean that the budget will be approved.

OAS is providing the following resources to allow you to complete your budget:

* **Budget Guidelines and related Appendices** (all contained within this document). Notably, [Appendix](#Appendix_G) E –Budget Forms for Intacct Users, which includes Instructions and a Completion Checklist, the Budget Spreadsheet (the blank template you will use for populating your budget), the Professional Development Budget Form, and the Capital Expenditure Budget Form.
* **Salary Spreadsheet**, which will be e-mailed to department heads on or around February 22nd.

The budget for each program is to be reviewed by the department head or agency director (referred to hereinafter interchangeably as “department head”) and submitted to OAS in Excel format via e-mail (**budgets@archindy.org****) no later than March 28, 2024.** A listing of Intacct programs and corresponding responsible department heads is included on the ‘Dimension Listing’ tab of [Appendix](#Appendix_G) E –Budget Forms for Intacct Users. If budget owners would benefit from some hands-on assistance with your budget preparation prior to submitting it for review, please contact Jenny Zelik at jzelik@archindy.org to schedule a date and time ASAP as spots will be limited.

The timeline for the fiscal year 2024-25 budget cycle is as follows:

* February 22, 2024 – Budget Guidelines published on website.
* February 25, 2024 – Salary Spreadsheets e-mailed by OAS to department heads. It is the responsibility of the department heads to distribute the salary spreadsheets to those who are playing a role in preparing their budgets.
* March 28, 2024 – Budget deliverables are due back to OAS from department heads. A listing of budget deliverables is defined on the ‘Instructions and Checklist’ tab of [Appendix E](#Appendix_G) – Budget Forms for Intacct Users.
* Week of April 22, 2024 – Budget Review Committee meetings with department heads.
* May 23, 2024 – Audit Committee meeting and review of proposed budget.
* May 30, 2024 – Review and approval of budget by Archdiocesan Finance Council.
* June 4, 2024 – Non-standard payroll changes are due back to Central Payroll.

At the completion of the budgeting process (June 2024), OAS will provide the following information to department heads:

* Approved budgets for FY24-25 will be available in Intacct.
* Listing of any significant changes made between the original submission of the budget and the approved budget.
* Approved Salary Spreadsheet which reconciles to the budgets for wages, FICA, and health insurance.
* Approved Professional Development requests so that each department head can communicate this information to their employees.
* Approved Capital Expenditures Budget Forms so that each department head is aware of which Capital Expenditures have been approved for fiscal year 2024-25.
* Approved IT purchase requests (will come from Brian Burkert).

**BILLING AND ASSESSMENTS**

In this section, we detail the various assessments that will be billed to locations in the upcoming fiscal year. [Appendix C](#Appendix_C) - Assessments by Location includes all the calculated assessments that will be billed to locations.

Archdiocesan Assessment (the Cathedraticum): The Cathedraticum is calculated as 10% of Sunday and Holy Day Collections and is used to pay the administrative costs and Chancery-level costs for the Archdiocese. Actual 2022-23 Sunday and Holy Day collections reported on the June 2023 parish annual financial report are used in the calculation of the fiscal year 2024-25 Cathedraticum. If no annual financial report was submitted, we used a 10% increase from the most current financial information available. See [Appendix C](#Appendix_C) for the Cathedraticum Assessment for your parish. This assessment will be collected via Parish Billing evenly over 12 months.

**Clergy Healthcare Assessment:** This Clergy Healthcare Assessment pays for the cost of healthcare for our clergy. The assessment is calculated as the amount needed to cover the budgeted clergy health claims and clergy health plan expenses for the upcoming year. Despite a steady upward trend of higher costs in our self-insured clergy health plan, the Clergy Healthcare Assessment is remaining steady at $3,150,000 for fiscal year 2024-25. That amount is allocated to parishes based on each individual parish’s percentage of the total Cathedraticum. See [Appendix C](#Appendix_C) for the Clergy Healthcare Assessment for your parish. This assessment will be collected via Parish Billing evenly over 12 months.

**Lay Retirement Assessment:** The Lay Retirement Assessment pays for the costs associated with the Archdiocesan retirement plans for lay employees (one active defined contribution plan and one frozen defined benefit plan). The assessment for each location is calculated as 5% of wages paid to both full time and part time employees during calendar year 2023.

The Archdiocese offers a 403(b) retirement plan that all employees are eligible to participate in. The Archdiocese matches 50% of the employee’s contribution to the 403(b) plan up to a maximum of 8% of eligible wages. The Archdiocese also has a legacy pension plan for full time lay employees hired prior to January 1, 2012. This plan was frozen as of June 30, 2016, meaning employees are not accruing additional pension benefits after June 30, 2016.

Our best estimate of the cost of funding and administering the legacy pension plan at this time and the 403(b) match for all employees remains at 5% of total wages paid in the previous calendar year. The lay retirement assessment charged in the upcoming fiscal year and for the foreseeable future will not decrease from the current assessment rate of 5%. Even though employees are not accruing additional pension benefits after June 30, 2016, the pension plan is currently underfunded by $11.8 million (as of January 1, 2023 pension valuation report), and it is difficult to predict the number of years it will take to eliminate that underfunding due to the volatility of investment returns. We actively assess the funding position of this legacy pension plan annually.

**Parish, School, Agency Note:** The Lay Retirement Assessment has been calculated for each parish, school, and agency and will be billed evenly over the upcoming fiscal year. See [Appendix C](#Appendix_C)for the Lay Retirement Assessment for your parish or school. This assessment will be collected via Parish Billing evenly over 12 months.

**Catholic Center Department Note:** The Lay Retirement Assessment for Catholic Center Department employees will be recorded as an expense to specific programs through a recurring general ledger journal entry. See [Appendix C](#Appendix_C) for the Lay Retirement Assessment amount to be budgeted. Be sure to include your program’s retirement expense in the Budget Spreadsheet.

**Safe Environment Program Assessment:** The Archdiocese provides a Safe Environment program to train all employees and all volunteers who have contact with children. The cost of operating the Safe Environment program is increasing. A portion of these expenses is being allocated across all locations (including agencies, high schools, and non-diocesan entity users) using calendar year 2023 wages as an allocation base. See [Appendix C](#Appendix_C)for the Safe Environment Program Assessment for your location. This assessment will be collected via Parish Billing in one installment to locations in July.

**Indianapolis Education Assessment:** Indianapolis deanery parishes have historically been assessed education costs at a percentage of Sunday and Holy Day Collections to support area high schools and the Mother Theodore Catholic Academies (MTCA). In an effort to reduce assessments of parishes and better align this assessment with the current funding model for Indiana private schools while still strongly supporting the mission of catholic education, we are once again lowering the assessment percentage for Indianapolis Education for FY24-25. We are setting this assessment to 9.5% (lowered from 10.4%) if the parish supports its own parish-based elementary school ministry and to 10.5% (lowered from 12.4%) if it doesn’t support its own parish-based elementary school.  This results in an overall decrease in the assessment level of 8.2%.  See [Appendix C](#Appendix_C)for the Indianapolis Education Assessment for your parish. This assessment will be collected via Parish Billing evenly over 12 months.

The funds collected through this assessment of Indianapolis parishes are allocated to the Indianapolis high schools (93% of assessment) and MTCA (7%). The high school funds are distributed on an even/enrollment/needs-based formula. The allocation to the schools for the 2024-25 school year is also included in [Appendix C](#Appendix_C).

**Criterion Subscriptions:** All parishes will be billed at the annual rate of $18 per household for subscription to the Criterion newspaper. The amount will be collected evenly throughout the year via Parish Billing based on number of households as of May 31, 2024.

**Deanery Assessments:** Certain deaneries charge parishes an assessment for operating support provided by the deanery. Please contact your deanery office regarding any changes in the current year assessment.

Billing Calendar

To help locations manage the timing of cash flows, we prepared a billing calendar to provide a high-level overview of when items are scheduled to be billed. We will communicate any anticipated deviations from this schedule as soon as they are known.

|  |  |
| --- | --- |
| **Proposed Billing Calendar** | **Months (indicated by first letter of month, starting in July, ending in June)** |
| Description | Ref. | Billing Frequency | J | A | S | O | N | D | J | F | M | A | M | J |
| Cathedraticum | [Link](#Cathedraticum) | Monthly | X | X | X | X | X | X | X | X | X | X | X | X |
| Clergy Healthcare | [Link](#ClergyHealth) | Monthly | X | X | X | X | X | X | X | X | X | X | X | X |
| Lay Retirement | [Link](#LayRetirement) | Monthly | X | X | X | X | X | X | X | X | X | X | X | X |
| Safe Environment | [Link](#Safe) | Annually | X |  |  |  |  |  |  |  |  |  |  |  |
| Indianapolis Education | [Link](#IndyEd) | Monthly | X | X | X | X | X | X | X | X | X | X | X | X |
| Criterion Subscriptions | [Link](#Criterion) | Monthly | X | X | X | X | X | X | X | X | X | X | X | X |
| Lay Health Insurance | [Link](#LayHealth) | Monthly | X | X | X | X | X | X | X | X | X | X | X | X |
| Workers Comp. Ins. | [Link](#WC) | Monthly | X | X | X | X | X | X | X | X | X | X | X | X |
| SECA Reimbursement | [Link](#SECA) | As occurs |  |  |  |  |  |  |  |  |  |  |  |  |
| Property Insurance | [Link](#Property_insurance) | Monthly | X | X | X | X | X | X | X | X | X | X | X | X |
| Vehicle Insurance | [Link](#Vehicle) | Monthly | X | X | X | X | X | X | X | X | X | X | X | X |
| Student Acc. Ins. | [Link](#Student) | Annually |  |  |  |  | X |  |  |  |  |  |  |  |
| Catholic School Administrators’ Professional Development/Business Meetings Assessment | [Link](#Catholic_School_Admin) | Annually |  |  |  |  |  |  |  |  | X |  |  |  |
| Lumen | [Link](#Lumen) | Annually |  |  |  |  | X |  |  |  |  |  |  |  |
| PowerSchool | [Link](#Powerschool) | Semi-Annually |  |  |  |  | X |  |  |  |  | X |  |  |
| CYO registration fees | [Link](#CYO) | As occurs |  |  |  |  |  |  |  |  |  |  |  |  |
| Permanent Deacon Prof. Dev. | [Link](#Perm_Deacons) | Annually |  |  | X |  |  |  |  |  |  |  |  |  |

**ARCHDIOCESAN GRANTS**

The content below is for information purposes only. **Parishes, high schools, and agencies should not rely on receiving an Archdiocesan grant award when developing its FY24-25 budget.**

**Archdiocese Combined Grants:** Through the generosity of the parishioners of our archdiocese, we have 4 different endowment funds that will support a twice-annual grant awarding process. This grant process is jointly administered by the Finance Office and the Office of Stewardship and Development.

Twice a year (spring and fall), the parishes, schools and agencies of the Archdiocese of Indianapolis have an opportunity to apply for grants which will be available from the following 4 endowments:

1. Home Mission Endowment Fund – used to support parishes and schools that qualify as home missions;
2. Growth and Expansion Endowment Fund – used to support growing and expanding ministry initiatives throughout the archdiocese in our parishes, schools and agencies;
3. The James P. Scott Endowment Fund – made possible by a very generous gift by James P. Scott to be used to support capital needs in the archdiocese in the form of a matching grant; and
4. Queen & Divine Mercy Endowment Fund – made possible by a very generous gift by Rev. Elmer J. Burwinkel to promote devotion to the Queenship of Mary and to the Divine Mercy of Jesus.

Combined grant applications are due to the Archdiocese for the 2 grant allocation periods on April 30th and October 31st each year. Additional information on these grants can be found at <http://www.archindy.org/finance/grant.html>

**Total Catholic Education (TCE) Endowment Grants:** The TCE Endowment Fund provides financial resources to support the professional training, education and staff development of Catholic educators, catechetical leaders, and pastoral ministers. The application deadlines for TCE Endowment Grants are March 1st and October 1st annually and applications for these grants can be found at: <https://ocs.archindy.org/resources>. Any questions should be directed to Maureen Okerson at mokerson@archindy.org.

**PERSONNEL COSTS**

**Parish and School Note:** We have provided a blank Salary Spreadsheet Template in [Appendix D](#Appendix_D2) – Budgets Forms for Parishes and Schoolsto assist in budgeting Salary and Wages, FICA, and Health Insurance costs for the upcoming year.

**Agency and Catholic Center Department Note:** Every department head is being provided a Salary Spreadsheet (and in some cases, multiple salary spreadsheets) to assist in budgeting Salary and Wages, FICA, and Health Insurance costs for the upcoming year. The salary spreadsheet contains all employees paid in their area for the January 12, 2024 pay date.

**Wages split between programs:** If an employee’s wages are allocated across two or more programs, please indicate as such using the Salary Spreadsheet. Wages and FICA expense will be recorded based on that allocation. Health Insurance, Workers Compensation Insurance, and Lay Retirement will be recorded to the employee’s home program.

**Lay and Religious Salary and Wages:** The provided statistics may be useful in determining employee compensation.



The Archdiocese is recommending wage increases of 3%-4% for the upcoming year. The Chancery (including all secretariats and agencies) intends to use a 3.5% average increase across all wages in each department and agency for our budgeting purposes. As with all budgets in all years, it is extremely important that all locations weigh their wage increases carefully and ensure they are sustainable through normal operations and conditions.

Our biggest operational challenge is attracting and retaining talented and committed people to serve in our ministries. With lingering inflationary issues impacting employees through gas prices, food costs and rising utility bills, we feel like this wage increase is at a level needed to balance the challenges in the labor market. We will all continue to see the impacts of this in our daily lives and in our ministries as well. It is important to balance the need to recognize the good work of our employees with the inflationary pressures faced by all, within an attainable, balanced budget.

**Indianapolis Deaneries Catholic School Teacher Recommended Salary Scale:** The Indianapolis Deaneries Catholic School Teacher Recommended Salary Scale for the 2024-25 school year will be distributed directly to principals and pastors in early March. For more information on the Indianapolis Deaneries Catholic School Teacher Recommended Salary Scale, please contact Brian Disney at bdisney@archindy.org.

**Priest Personnel Costs:** See [Appendix A](#AppendixA) – Priest Personnel Coststo include the appropriate priest wages and personnel costs in your budget. You should still include the priest in the Salary Spreadsheet when calculating wages and workers compensation insurance costs for priests.

**FICA:** 7.65% x gross compensation, calculated using the Salary Spreadsheet.

**Health Insurance:** Employer premiums for the self-insured lay health plan (medical and dental coverage) will increase 8% in the upcoming fiscal year. Rapidly increasing healthcare costs necessitate this increase in premium amounts. This is our second straight increase for employer-paid premiums but the only increases since fiscal year 2018 due primarily to the endowments we have backing the healthcare plans and other employee benefit plans. The self-insured health care plans continue to be a financial challenge for our organization consistent with much of the nation. Despite no employer premium increases for the 5 year time period between 2018-2023, we recognized that eventually we would need to increase costs to our supporting organizations but are pleased to be able to keep these rates in line with or below national levels. We will continue to look for ways to manage this healthcare plan in the most fiscally responsible way with the goals of minimizing premiums to employers and employees while maintaining adequate insurance coverage with a grandfathered status under the Affordable Care Act.

Budgeted Health Insurance expense can be calculated using your Salary Spreadsheet and the rates below:



\*\*Employer rate is the same regardless if employee coverage is single or family.

Billing to parishes, schools, and agencies for medical and dental insurance is based on Paylocity deductions. When an employee terminates health insurance coverage due to the end of employment, the location must move the employee’s employment status to “Terminated” in Paylocity. For any other reason, the location must contact Human Resources to stop coverage and cease billing. Stopping an employee’s pay does not stop health insurance coverage for the employee or health insurance billing to the parish, school, or agency. Parishes, schools and agencies will be billed for the employee and employer portion of health insurance premiums for any full month where an employee remains covered, and the employee is not terminated timely.

**Federal Requirements for Health Insurance Eligibility**

Federal health care reform legislation includes regulations regarding eligibility for health insurance coverage. These federal regulations require employers to offer coverage to employees who work 30 or more hours per week. A special provision of the law affects educational institutions, including Catholic schools. This provision states that **any employee who regularly works 30 hours per week during a school year is eligible for health insurance**.

In October 2024, the Human Resources Office will send open enrollment information for medical and dental benefits to employees who worked an average of 30 hours per week during a school year or calendar year within the “measurement period” of October 3, 2023 through October 2, 2024. If eligible employees elect coverage, it will become effective in January 2025. Please contact the Human Resources Office if you have any questions about health insurance eligibility.

**Workers Compensation Insurance:** Workers compensation charges billed are based on actual wages paid for the previous calendar year (1/1/2023 to 12/31/2023) and the rates shown below. This amount has been calculated and is included in [Appendix C](#Appendix_C)**.**



**Parish, School, Agency Note:** Workers Compensation Insurance has been calculated for each parish, school, and agency and will be billed evenly over the upcoming fiscal year. See [Appendix C](#Appendix_C)for the Workers Compensation Insurance billing for your parish or school. This assessment will be collected via Parish Billing evenly over 12 months. Refer to our website at <http://www.archindy.org/finance/parish/guidelines.html> for instructions on how to run a Paylocity report to calculate Workers Compensation Insurance by department for your location.

**Catholic Center Department Note:** Workers Compensation Insurance for Catholic Center Department employees will be recorded as an expense to specific programs through a recurring general ledger journal entry. See [Appendix C](#Appendix_C) for the Workers Compensation Insurance expense to be budgeted. Be sure to include your program’s expense in the Budget Spreadsheet.

The following general ledger accounts are commonly used in budgeting these personnel costs:

|  |  |  |  |
| --- | --- | --- | --- |
|  |  |  | **Applicability** |
| **Intacct GL Account** | **Description / Common Expenses** | **Budgeting Resource** | **Lay** | **Clergy** | **Deacons** | **Religious** |
| 50000 Wages - Lay | Wages for lay employees – hourly and salaried employees (includes deacons) | Obtain from salary spreadsheet | x |  | x |  |
| 50001 Wages – Clergy | Wages for clergy only | Obtain from salary spreadsheet. Compensation table for clergy is included in [Appendix A](#AppendixA) – Priest Compensation.  |  | x |  |  |
| 50002 Wages – Religious  | Wages paid to religious (Sisters, etc.) | Obtain from salary spreadsheet |  |  |  | x |
| 50004 Wages – Temporary (Staffing Co.) | Wages paid to a staffing company for temporary contract workers (paid via AP, not payroll) |  | x |  |  |  |
| 50006 Stipends | Amounts paid to Archdiocesan employees above and beyond hourly wage or salary, including employees of parishes and high schools (paid via payroll) |  | x | x | x | x |
| 50007 SECA Reimbursement | Reimbursement to clergy for one-half of the priest(s) SECA payment related to salary and the total amount of SECA payments related to room and board (parsonage) | Be sure to budget for all clergy in your budget area. Prior year is usually a good predictor for the upcoming year, but make sure to adjust up or down if the number of clergy in your budget area changes from prior year. |  | x |  |  |
| 50101 FICA Expense | Payroll tax expense (7.65% of gross wages) | Obtain from salary spreadsheet | x |  | x |  |
| 50102 Workers Compensation | Workers compensation insurance | Amount you will be charged for workers compensation insurance is calculated for you in [Appendix C](#Appendix_C). |
| 50104 Health Insurance | Employer portion of medical and dental healthcare costs for employees (excluding clergy) | Obtain from salary spreadsheet | x |  | x | x |
| 50110 Lay Retirement | Employee retirement costs related to the Lay Pension Plan and 403B plan | Amount you will be charged for lay retirement is calculated for you in [Appendix C](#Appendix_C).  |

PROPERTY INSURANCE

Projected budgeted rates for all insurance coverage in our self-insured property insurance plan are based off the best information we can obtain at this time. Actual rates will be based off actual premium charges received from carrier(s) at the time of renewal, which will occur in June 2024. While we do not know for sure what our premium charges upon renewal will be, we do anticipate significant premium increases for many of our largest coverages. We have considered those in our draft budget used to distribute these guidelines. The premium rate charged for coverage is also significantly affected by the property values assigned to our properties but also the growth in the endowment we have backing this parish shared services plan. The annual distribution from that endowment helps keep the premiums charged for insurance lower. If our renewal falls outside the budgeted parameters, we will re-evaluate the rate we charge parishes and make a change prior to July 1st only if necessary. If you have any questions or need to know your current property values, please contact Erich Bangert at ebangert@archindy.org.

Property and liability insurance: Property insurance premiums are based on the appraised value of church, school, and agency properties and are used to pay costs associated with annual property reinsurance premiums, legal costs, professional fees and property and liability claims. A portion of the property insurance premiums is used to cover expenses incurred by Catholic Center Departments that provide support and guidance on all property, building and risk management-related matters within the parishes, schools, and agencies of the Archdiocese. For example, the Office of Management Services, which provides assistance on new building projects and building maintenance issues. Property and liability insurance premiums will be collected via Parish Billing evenly over 12 months. Property is listed by individual buildings on the monthly statement. Locations are responsible for informing the Archdiocese of any changes or additions by contacting Erich Bangert, Director of Risk Management at ebangert@archindy.org.

Our third-party vendor has indicated that property values for most locations are expected to increase. These revised property values will not be available until late spring. We suggest that all locations budget for a 5-8% increase in their property values for the upcoming year. Locations should also be prepared to cover the deductible in the event of a claim. We strongly recommend that locations save for this deductible with an ADLF savings account.



**Vehicle insurance**: Rates for vehicle insurance are increasing for FY24-25. Vehicle insurance premiums will be collected via Parish Billing using the following monthly rates:



Student Accident Insurance: Student Accident Insurance will continue to be billed at $11.00 per student, which includes preschool children, and will be collected from locations via Parish Billing as a one-time charge on the November billing statement. The fee is based on beginning enrollment for the 2024-25 school year. Schools will be charged per student, including high school, elementary, and preschool attendees. This insurance is accident insurance that is supplemental to any insurance that parents may have and can also be used to cover losses when parents have no insurance. It covers all school activities including interscholastic athletics. This excess insurance coverage includes a secondary deductible of $500 which is paid by the family. We believe that having this policy in place helps the school avoid nuisance lawsuits especially when parents have no other way to cover expenses caused by an accident.

The following general ledger accounts are commonly used in budgeting for property insurance-related costs:

|  |  |
| --- | --- |
| **Intacct Account** | **Description / Common Expenses** |
| 54001 – Student Accident Insurance | Fees paid for student accident insurance. |
| 54002 Property Insurance Assessment – Vehicles – Interco | Fees paid for vehicle insurance. |
| 54003 Property Insurance Assessment – Property – Interco | Fees paid for property insurance. |

**EDUCATION-RELATED COSTS AND INFORMATION**

**Asbestos Inspections**

The Asbestos Hazard Emergency Response Act (AHERA) and its regulations require that our school buildings are re-inspected once every three years. Fiscal year 2024-25 IS NOT an inspection year. Schools will be inspected again in fiscal year 2025-26. An updated AHERA Management Plan Binder must continue to be maintained in each school. Any questions regarding the specific documentation requirements should be directed to Robin Hartkorn at rhartkorn@archindy.org.

**History and Mission Classes**

Teachers and principals that are new to the Archdiocese of Indianapolis are required to complete the History and Mission Class. The cost of this class is $30 per participant and will be billed on the monthly billing statement in the month following the class.

**Lumen Accreditation of Schools**

All archdiocesan schools will be accredited through Lumen Accreditation instead of Cognia. For fiscal year 2024-25, the cost per school will be $1,000.Accreditation fees will be collected from locations via Parish Billing as a one-time charge on the November 2024 billing statement. Schools also pay for their own four-year archdiocesan continuous improvement review visit for accreditation. Please budget for hospitality, lunch, and materials for team members if your school is scheduled for this internal review visit.

**Catholic School Data Management for Required Reporting**

**PowerSchool** - OCS has entered into a five and a half-year contract with PowerSchool effective December 31, 2023, through June 30, 2029. This agreement includes the PowerSchool SIS and E-collect for all Archdiocesan schools.

Archdiocesan schools will be charged twice per year based on each school’s enrollment. Schools will be charged in November 2024 for the Fall 2024 semester $5.10 per student. The charge for the April 2025 assessment is $5.10/student as well.

**School Messaging –** All Archdiocesan schools will use the Arch Indy instance of School Messenger for the 2024-2025 school year and should budget $1.25 per student for the November assessment on your billing statement.

**Effective Grading Practices Training -** All Archdiocesan schools should budget $15.00 a person if you plan to schedule this training for your teachers for the 2024-2025 school year. The assessment will be collected via the Parish Billing statement the month after the training.

**Catholic School Administrators Professional Development/Business Meetings Assessment**

The Catholic School Administrators Professional Development/Business Meetings Assessment will remain the same for fiscal year 2024-25 ($410 per location). This assessment covers the cost of participating in School Administrators Business Meetings as well as the Professional Development webinars. The assessment will be collected via Parish Billing as a one-time charge on the March 2025 billing statement.

**CPI Non-Violent Crisis Intervention Training**

CPI Non-Violent Crisis Intervention Training is required for a minimum of 3 employees per school. The cost of the initial training is $75/person. The annual refresher training is $45/person. Fees will be billed on the monthly billing statement in the month following the training.

**Total Catholic Education (TCE) Loan Sponsor Obligations:** Cost billing schedules will be sent to the pastors and business managers of parishes that continue to have TCE loan sponsor obligations related to the old version of the TCE Grant/Loan program. These schedules should be used to budget for the 2024-25 fiscal year. If a teacher on your schedule leaves during the course of the fiscal year, you should notify Maureen Okerson of the change. The billing will continue for that fiscal year and will be removed from your schedule and your obligation the follow fiscal year. Contact Maureen Okerson with questions at mokerson@archindy.org.

**CYO Athletics and Enrichment Activities**

CYO sponsors various athletic leagues and events throughout the archdiocese. It is anticipated that participant and/or team fees for the various leagues and events will increase for the next fiscal year. Official rates will be communicated by CYO personnel in late spring 2024. CYO registration fees are billed to parishes and schools via Parish Billing and are automatically withdrawn from your location’s operating bank account with the monthly bill pull (except for the Music Contest and Science Fair). If you have any questions on CYO fees, please contact Kris Becher at kbecher@cyoarchindy.org.

Religion Testing for 2024-25

Testing of students in religion instruction is required by policy for both parish and school-based religious education programs in grades 3,5, 7, 9, and 11. Starting in the Spring 2024, our schools and parishes will be using the religious testing platform ARK – Assessment of Religious Knowledge.  ARK is a replacement for ACRE – which we have used for many years.  Schools and parishes will pay for their own testing, at $3.60 per person who take the digitized test.  A three year contract signed by Dr. Brian Disney is in effect from 7/1/2023 – 6/30/2026. Contact Deacon Jim Wood in the Office of Catechesis for more information.

PROFESSIONAL DEVELOPMENT

**Parish and School Notes for Professional Development**

**Professional Development – Priests:** See [Appendix A](#AppendixA) to include the appropriate priest professional development costs in parish budgets.

**Permanent Deacons:** Parishes that have permanent deacons assigned to ministry in those parishes contribute $2,300 per year to the Archdiocese for each deacon assigned. This assessment contributes to the ministry of the permanent diaconate, including ongoing formation. If a permanent deacon serves in two or more parishes, the $2,300 contribution is split between those parishes. The $2,300 (per permanent deacon) contribution will be collected via Parish Billing in one installment to locations in September.

**Professional and Spiritual Development – Lay Ministers:** Parishes and deanery centers are encouraged to budget at least $750 per person for each lay minister (in religious education, youth ministry, music, social ministry, administration, etc.) for professional and spiritual development. This applies to both full-time and part-time staff including volunteers in leadership roles based on pastoral discretion. Parishes and deanery centers may need to adjust the suggested amount of funding based on their circumstances. It is also recommended that any expenses for professional and spiritual development have the prior approval of the pastor or parish life coordinator (or dean for deanery center employees).

Agency and Catholic Center Department Notes for Professional Development

Professional Development – Priests: See [Appendix A](#AppendixA) to include the appropriate priest professional development costs in department budgets.

Employee Professional Development – Agencies: Professional development costs for Agency employees should be budgeted within their respective Agency’s budget.

Employee Professional Development – Catholic Center Departments: Professional development expenditures for employees of Catholic Center Departments, Brute, and Fatima are recorded in a separate program (Program ID 1102 Professional Development – Arch) from the employee’s home department. Please complete the Professional Development Budget Form within [Appendix E](#Appendix_G) for all expected Catholic Center employee development expenditures, which includes the cost of education (course / seminar / training) as well as any travel-related expenditures associated with the professional development (lodging, transportation, etc.). This form is used for budgeting purposes only and does NOT represent formal approval of expenditures related to employee professional development.

|  |  |
| --- | --- |
| **Intacct Account** | **Description / Common Expenses** |
| 90001 Dues & Memberships | Dues or membership fees paid to a professional organization. Budget in your program’s budget, not in the professional development budget. |
| 90002 Registration Fees for Conferences / Meetings / Events | Fees paid to attend a conference, meeting, or event. Budget this cost in the Professional Development Budget Form in [Appendix E](#Appendix_G) – Budget Forms for Intacct Users.  |
| 91000 Travel – Hotel / Lodging | Hotel when out of town for business purposes. * If traveling for direct work purposes, budget this cost in your program’s budget
* If traveling for professional development purposes, budget this cost in the Professional Development Budget Form in [Appendix E](#Appendix_G) – Budget Forms for Intacct Users.
 |
| 91001 Meals - Business | Any meals purchased related to a business function or attending (not hosting) professional development. Can be in-town or out of town. * If the cost is related to a direct business purpose, budget this cost in your program’s budget
* If the food or beverage cost is incurred at or while traveling to/from a professional development event, budget this cost in the Professional Development Budget Form in [Appendix E](#Appendix_G) – Budget Forms for Intacct Users.
 |
| 91002 Travel - Mileage | Employees of Catholic Center departments and agencies are reimbursed for business miles incurred at 100% of IRS guidelines, but this rate is not mandatory for all other locations. We recommend that locations evaluate the impact to individual budgets when determining the rate at which they will reimburse mileage.Archdiocese mileage reimbursement rate: $0.67/mileAny time your personal vehicle is used for business in excess of the original commute from home i.e. driving to a parish if you work at the Catholic Center.* If traveling for direct work purposes, budget this cost in your program’s budget
* If traveling for professional development purposes, budget this cost in the Professional Development Budget Form in [Appendix E](#Appendix_G) – Budget Forms for Intacct Users.
 |
| 91005 Travel – Airfare | Cost of airfare when traveling for business purposes.* If traveling for direct work purposes, budget this cost in your program’s budget
* If traveling for professional development purposes, budget this cost in the Professional Development Budget Form in [Appendix E](#Appendix_G) – Budget Forms for Intacct Users.
 |
| The expense reimbursement policies for travel-related costs can be found at: [**http://www.archindy.org/finance/files/parish/general/expense\_reimburse\_policy.pdf**](http://www.archindy.org/finance/files/parish/general/expense_reimburse_policy.pdf) |

**OTHER ARCHDIOCESAN SERVICES**

**Central Payroll:** The Archdiocese of Indianapolis uses Paylocity as a payroll service provider. Payroll is processed by Central Payroll (centralpayroll@archindy.org) on a biweekly basis. All locations are required to properly use Time & Labor for electronic time and attendance and supervisors are required to approve electronic timecards prior to processing payroll. All employees are required to utilize direct deposit. Paylocity’s payroll processing fees are as follows:

Per Payroll Fees (occurs biweekly)

* Web Pay per payroll location is a base fee of $31.37 (26 occurrences through year based on biweekly payroll) and $1.31 per check per pay period. For example, a location with 125 checks would expect to pay $5,073.12 each year. Broken down, it is $31.37 x 26 pays = $815.62 plus $1.31 x 125 checks x 26 pays = $4,257.50.
* Additional State | Local Filings are $3.00 per occurrence.
* Agencies or recipients of child support, garnishment, levy, bankruptcy, student loan, etc. payments are issued a Paylocity check funded from your location payroll liability. Direct Agency Checks are $2.50 per occurrence.
* Electronic Child Support Payments are $1.50 per occurrence.

Monthly Fees

* Paylocity Electronic Timekeeping is $1.60 per employee.

Year-End Fees

* Year End W2 processing is base fee of $50.00 plus $6.25 each W2/1099.
* Year End Delivery fees are $1.50 per W2 when mailed directly from Paylocity.

Employees can opt to go paperless through their Employee Self-Service Portal.

**Human Resources – Employee and Volunteer Background Checks:** Barada Associates processes background checks for the Archdiocese of Indianapolis. Barada will invoice locations directly for the cost of the background checks for employees and volunteers. Background checks for Catholic Center departments will be charged to the Human Resources budget. Our policy requires all employees and all volunteers to have completed a background check prior to the first day of employment or volunteer service and to participate in a quarterly background check monitoring program. Licensed teachers and principals (and all other school employees and contractors) are required to have expanded background checks before being hired and re-checks every 5 years. Five-year re-checks for school employees are processed automatically with Barada and Associates by the Human Resources Office based on the information in our payroll database.

Please budget as follows (on a per-employee basis):

* $32.55 for checks and 5-year re-checks of all school employees and school contractors
* $5.88 for checks of parish employees, agency employees, contractors and all volunteers
* $0.21 per quarter for quarterly monitoring of background checks for employees
* $0.16 per quarter for quarterly monitoring of background checks for volunteers
* $11.55 for Indiana driving check (required for new employees and volunteers who drive as part of their responsibilities). This is the fee for driving checks in the State of Indiana; other states’ fees will vary.

**Legal Services:** The Archdiocese of Indianapolis has in-house general counsel. If one of our locations requires direct legal services, please reach out to Jay Mercer at jmercer@archindy.org. General counsel costs are covered within the operating budgets of the chancery and funded through Cathedraticum and parish shared service assessments.

**Agency and Catholic Center Department Note:** If external counsel is required, such as for benefits or immigration matters, you should coordinate with general counsel and budget for those legal costs in your program’s budget. All legal matters and needs should be reviewed by general counsel.

**Archdiocesan Deposit and Loan Fund (ADLF):** Archdiocesan policy stipulates that all parishes/schools shall deposit all funds in the ADLF in excess of 90 days’ worth of operational expenditures. Interest rates are updated quarterly. ADLF policies and forms are available on the Finance page of our website at <http://www.archindy.org/finance/parish/forms.html>.

In planning for the future cash flow needs of our parishes/schools related to capital projects, we are requesting a three-year capital budget be submitted with your FY24-25 budget. A Projected 3 Year Capital Expenditures budget form is included in [Appendix D](#Appendix_D2) – Budget Forms (Parishes and Schools only). ADLF loan requests are approved based on the “50% cash on hand in ADLF and 50% in pledges” policy for the total project cost. Approval will depend on the cash resources available at the time your parish/school anticipates beginning the capital project. The three-year capital budgets assist us as we determine the most effective way to process and fund capital related ADLF loan requests. A completed three-year capital expenditure budget must be submitted with your parish budget to receive consideration for an ADLF loan request.

**OTHER ITEMS TO CONSIDER WHEN BUDGETING**

**Parish Internal Control Assessment (PICA) Fees:** Parish internal control assessments are performed by an independent CPA firm once every 3 years. The locations scheduled for parish internal control assessments for fiscal year 2024-25 are listed in [Appendix B](#Appendix_B2). Inclusion in the fiscal year 2024-25 schedule means that the PICA itself should occur between July 1, 2024 and June 30, 2025. As these assessments are performed by outside accounting firms, we cannot always predict the timing of the engagements and some flexibility in scheduling and billing may be required. Please note, the PICA schedule has been updated to better reflect realistic timing of the assessments. Parishes that were included in FY23-24 Appendix B but have not yet completed a PICA assessment during that year, will show again on Appendix B for FY24-25. If your location is included in Appendix B, you should budget for the cost of the PICA. Current fees as of the date of the Budget Guidelines being published are as follows:

* Parishes without schools: $3,500
* Parishes with schools: $5,000

There may be certain circumstances or factors encountered during a review that could lead to a slight increase in the fees, including but not limited to extensive BINGO operations, childcare or other school related ministries that require additional work, and unusual difficulties in obtaining the necessary information and resources for the review. Once the CPA firm has invoiced the Archdiocese for the PICA for your location, we will include it on your monthly billing statement in the following month.

**Archdiocesan high school audits:** Archdiocesan high schools should budget for either their annual financial statement auditor their annual financial statement review and tri-annual internal control review (see PICA section above) by an external CPA firm. Please contact your external CPA firm for information on fees for the upcoming year.

**Information Technology Services for Agencies and Catholic Center Departments:** The Catholic Center contracts with third party vendors for support service for IT, telecommunications, and copying/printer/scanning services.

* The purchase of all technology (hardware, software, software as a service, telecommunications, audio visual or printing/scanning/copying) equipment needed for agencies or Catholic Center departments must be done by the Information Technology department.
* All IT consulting services, managed service provider services, web hosting services, and domain name registrations, etc. must be reviewed and approved by the Information Technology department prior to any contract being signed.

|  |  |  |
| --- | --- | --- |
| **Budget Area** | **Information Systems Budget** | **Specific Department Budget** |
| **Type of Cost** | **Hardware**: Desktop or Laptop Computers, Tablets, Monitors, Copiers, Printers, Scanners, Keyboards, Mouse, Data Storage Devices, LCD Projectors.*At this time, we do not have a formal equipment lifecycle for the replacement of hardware based on its age. If you feel your department has hardware that will need to be replaced in 2024, please consult with IT to budget for such expenditures.***Software**: Microsoft Office Suite (Word, Excel, PowerPoint, Outlook), Adobe Acrobat Professional, Adobe Cloud Creative, Graphics Design (Visio, Publisher), AutoCAD, etc.**Software as a Service**: Email/Calendaring (Office365); Audio/Video/Web Conferencing (Zoom); Bulk Email Services (Flocknote); Survey software (Forms); Project Management (Basecamp); Cloud Storage (Box, OneDrive); Event Scheduling (Eventbrite); Online Donation Services (Acceptiva, Blackbaud Merchant Services); Electronic Document Signatures (DocuSign)**Web Hosting Service**: domain name registrations (GoDaddy), webhosting services (eCatholic, Wix), website development services.**Consulting Services**: Any consulting related to scoping, operation, custom application development for information systems, telecommunications, or copying/printing systems. **Telecommunications**: Phone lines, voicemail, mobile phone, mobile WIFI, bulk contact services (phone/texting)**Storage services and devices:** USB drives, external hard drives, Cloud storage (other than Box.com or OneDrive) such as Drobox, iCloud, Google Drive | **Department-specific software and support contracts:** Casemaster (Tribunal)Raiser’s Edge (OSD)Paylocity (OAS)Intacct (OAS)FloQast (OAS)Powerschool (MTCA/OCS)NWEA (MTCA)ETO (Catholic Charities)Isalas (Counseling)Fundriver (CCF)Nexonia (OAS)Great Minds (MTCA)The Purple Guys (MTCA) |
| **Steps to be taken during the budgeting cycle** | Email ITPurchase@archindy.org with any and all IT expenditures for 2024-25. When in doubt, include it. Please complete no later than **March 20, 2024**. If needed, schedule a time to meet with Director of Technology Services or their supervisor to walk through any IT budget questions. Please send him a meeting request. | These costs need to be budgeted by you in your home department. Director of Technology Services or their supervisor should still be consulted in evaluating contracts for IT-related services. |
| **Communication of budget approvals** | Director of Technology Services or their supervisor will communicate the approved costs at the conclusion of the budgeting process. | Approval will be communicated in the same manner as all other items in the department-level budget. |
| **Purchase of IT items in upcoming fiscal year** | IT will be the central purchasing entity to ensure standards are followed. When submitting purchasing requests, please specify if the item being requested was budgeted. |

Note: If you are using any software that is not licensed through the Archdiocese, please include it in your email so it is documented.

**Capital Expenditures (Catholic Center Departments only):** Our policy is to capitalize fixed asset purchases greater than $5,000 with a useful life greater than 1 year. Any single item budgeted to be purchased (or aggregated similar items) with a total cost greater than $5,000, e.g. office furniture and fixtures; office equipment; building upgrades; etc. should be included in the Capital Expenditure Budget tab of [Appendix E](#Appendix_G) - Budget Forms for Intacct Users and submitted with your final budget package. These costs greater than $5,000 do not need to be included as expenses within your program’s budget spreadsheet, as OAS will include them in a depreciation expense account. Miscellaneous fixed asset purchases with a cost less than $5,000 should be excluded from the Capital Expenditures Budget tab and budgeted within your program’s budget as an expense.

Holiday, Retirement, and Birthday Staff Functions: The expense reimbursement policy for Archdiocesan agencies and Catholic Center departments states that holiday and birthday staff lunches should be paid for by the individuals participating, NOT by the Archdiocese or agency (via payment requisition or expense reimbursement form). This policy extends to retirement parties and other social gatherings as well. The Catholic Center Thanksgiving and Advent luncheons are intended to show appreciation for employees and to provide opportunities for fellowship. If agencies or departments feel that they need a Christmas celebration in addition to the activities provided by the Chancery, it is not to be paid for by the agency or department nor should it be built into the budget. The full expense reimbursement policy can be found at: <http://www.archindy.org/finance/files/parish/general/expense_reimburse_policy.pdf> Thank you for your commitment to following this policy, as we strive to be good stewards with the resources entrusted to us!

**Additional Notes for Agencies and Catholic Center Departments:**

**Endowment Distributions:** Endowment distributions should be budgeted in account #48200. Please contact Laura Soto (lsoto@archindy.org) for information on the estimated distribution amount for your endowments for the upcoming fiscal year. Use a budget allocation frequency of ‘Quarterly’.

**Archdiocesan Subsidy:** The amount of the Archdiocesan Subsidy received by external agencies will be provided to agency directors by Tim Winn (twinn@archindy.org). Please contact Tim with any questions regarding this information.

As a point of clarification, the following general ledger accounts are commonly used in budgeting:

|  |  |
| --- | --- |
| **Intacct Account** | **Description / Common Expenses** |
| 51000 Professional Fees | Professional Fees that do not fit into one of the more specific categories below |
| 51001 Professional Fees – Legal | All fees paid to lawyers. |
| 51002 Professional Fees – Appraisals | Fees paid for appraisal services. |
| 51003 Professional Fees – Accounting / Audit / Tax | Fees paid to public accounting firms for audit, tax, and accounting services. |
| 51004 Professional Fees – Background Checks | Fees paid for employee and volunteer background checks. |
| 51005 Professional Fees – Medical / Counseling | Fees paid to doctors or health care companies for medical consultation (not health claims) or counseling services. |
| 51006 Professional Services – Security | Amounts paid for security guards (non-employee) or event security. |
| 51007 Management Fee Expense | Amounts paid to a third-party providing management services* Buchanan Group for Catholic Cemeteries
* Archdiocese for Mission Office
* Archdiocese for CCF
 |
| 51009 Software as a Service | Costs associated with software as a service. Examples include:* Paylocity payroll fees paid by agencies
* Intacct subscription fees
* Raiser’s Edge subscription fees
* Other software subscription costs
 |
| 53301 Program Expense – Food | Amounts paid for food/beverage when providing food/nourishment is a primary purpose of the program. Costs budgeted to Acct 53301 should include:* Food for Homeless Shelters
* Food for Crisis Office
* Food for School Cafeteria

Do not include these types of costs in Acct 53301:* Business meals (91001)
* Food purchased for a meeting or event that you are hosting (92001)
 |
| 57013 Building Cleaning / Janitorial Expense | Amounts paid for building cleaning or janitorial services. |
| 90000 Miscellaneous Expense | This account exists in the chart of accounts but should not be used in budgeting costs in excess of $1,000. |

APPENDIX A – PRIEST PERSONNEL COSTS

**Base Salary**

All active and retired priests are required to receive their salary and sacramental coverage stipends (as well as daily mass intention stipends if retired/opting out of the monthly allocation policy) through Central Payroll. Priests are considered employees of the Archdiocese (Paylocity company #13000) and are paid by the Archdiocese on a biweekly basis. Monthly, parishes are billed by the Archdiocese for the reimbursement of the priests’ wages. This billing is performed a month in arrears, meaning the January parish bill is for the priest’s December wages.

In January 2023, a proposal to increase the base salary for active ministry priests to reflect more equitable compensation based on current trends in single median income for Indiana with adjustment for inflation was approved. This base salary will be reviewed by the Vicar for Clergy in conversation with Human Resources and the Vicar General every five (5) years with adjustments to be approved by vote of the Council of Priests.

Consistent with historical practice priests receive an annual cost of living adjustment to their base salary. The increase will not exceed the suggested increase for lay employees. The lay employee suggested wage increase for FY25 is 3.5%.

Additionally, in January 2023, a proposal to more equitably compensate priests for years of ministry was approved. Rather than a flat dollar amount, active ministry priests will receive an additional 3.5% of base salary for every five years of priestly ministry until retirement. The scale below reflects the incremental adjustments for years of service.

**Based on years of service, the following schedule is in effect for base compensation:**

|  |  |  |  |
| --- | --- | --- | --- |
| **Year of Ordination** | **Years of Service** | **FY24 Annual Salary** | **FY25 Budget Annual Salary** |
| **2019-2024** | **0-5** | **$33,000** | **$34,155** |
| **2014-2018** | **6-10** | **$34,155** | **$35,350** |
| **2009-2013** | **11-15** | **$35,310** | **$36,545** |
| **2004-2008** | **16-20** | **$36,465** | **$37,741** |
| **1999-2003** | **21-25** | **$37,620** | **$38,937** |
| **1994-1998** | **26-30** | **$38,775** | **$40,132** |
| **1989-1993** | **31-35** | **$39,930** | **$41,328** |
| **1984-1988** | **36-40** | **$41,085** | **$42,523** |
| **1979-1983** | **41-45** | **$42,240** | **$43,718** |
| **1978 and prior** | **46+** | **$43,395** | **$44,914** |

**Over Three Weekend Liturgies**

It is expected that up to three weekend liturgies and confessions are included in a priest’s salary. For those who are required to celebrate more than three weekend liturgies per weekend, $50 per additional liturgy should be added to the priest’s wages. Payment is to be for the specific Masses offered, not averaged into an additional payment each period. Saturday evening Masses occurring after 4:00 pm are considered one of the weekend liturgies which should total 3 before the additional $50/Mass is added.

For example: 1 Saturday night Mass and 3 Sunday Masses would qualify a priest for the additional $50.

The additional pay of $50 per additional liturgy should be communicated to Central Payroll by parish business managers.

**Daily Mass Intention Stipends**

In January 2023, a proposal to move to a system of compensation for daily mass stipends that provides active ministry priests $3600 annually in monthly payments of $300 was approved. These payments are made monthly through Central Payroll directly to the priest. Priests are provided with the opportunity to opt-out of this arrangement in favor of the previously administered model noted below. The Office of Clergy will annually provide Central Payroll with a list of those priests who have chosen to participate or not participate in the annual fixed compensation amount for daily mass stipends.

For retired and those active ministry priests who elect not to receive a monthly payment for daily mass stipends, stipends should be reported monthly and paid through Central Payroll; non-Archdiocesan employed visiting priests should be paid via a check from the parish. Stipends for all Masses will be the amount given by the individual requesting the Mass (The guideline is $10). A priest may receive 1 stipend ($10/Mass) per day and the others are to be given to a charity of the priest’s choice, which can be the parish.

*Example 1*: Father says 1 Sat. morning Mass and 1 Sat. evening Mass. He gets ONE $10 stipend.

*Example 2:* Father says 1 Sat. evening Mass and 3 Sunday Masses, he gets $50 for the additional Mass as covered by over 3 weekend liturgy guidance ($50 per extra mass) plus $20 for the stipend ($10 from Saturday and $10 from Sunday).

Bination stipends are not compensation to individual priests, they should not be paid to the priest. Parishes should remit payment directly to the charity of the priest’s designation from the Mass stipend checking account.

\*\*If uncertain about allocations, please contact the Vicar for Clergy for assistance.

**SECA Reimbursement**

Each location is responsible for the reimbursement of SECA (Self Employment Compensation Act) to the priest, for the part of salary, room and board for which it is responsible. After the clergy has filed his taxes for the previous calendar year, he should submit his SECA Reimbursement Form to centralpayroll@archindy.org on or before June 1, 2024 for the 2023 tax year. The form can be found at <http://www.archindy.org/finance/parish/forms.html> and is based on the following amounts:

15.3% on 2023 Room & Board

 7.65% on 2023 W-2 salary (including stipends)

\*\*Please note rates may change based on federal guidelines, these are the rates in effect for calendar year 2023.

\*\*\*OAS will bill the parish for the SECA reimbursement, similar to how parishes are billed for the priest’s wages. SECA reimbursements are typically processed between February and June, and fully depend on the timeliness of the priest submitting the SECA Reimbursement Form to Central Payroll.

**Determining what each institution pays**

Example 1: A priest is pastor of parish “A” from January 1 through June 30 and is then transferred to parish “B”. Parish “A” pays SECA reimbursement for the first six months of the year, while parish “B” pays SECA reimbursement for the last six months of the year.

Example 2: A priest has multiple assignments. The high school/archdiocesan agency pays his salary, while the weekend parish assignment provides room and board. The high school/archdiocesan agency pays SECA reimbursement for salary. The parish pays SECA reimbursement for room and board.

\*\*If uncertain about allocations, please contact the Vicar for Clergy for assistance.

**Determining the value of “room”:**

Priests receiving room in a parish-provided rectory are asked to seek the advice of a local realtor as to the fair market value of the rental of a comparable house or apartment (including utilities). For example: 2 bedrooms, living room, kitchen, bathroom, approximately 850 square feet, depending on the features of the rectory. This analysis should only include the value of the “clergy housing” portion of the rectory, not any parish office space. The value of board should be reflective of the monies allocated to the priest for food by the parish.

If there are questions about determining the value of room and board, please reach out to the Office of Clergy, Religious, and PLCs.

 **Retired Priests** *(approved by Council of Priests 11/25/03)*

* In year of retirement: eligible for SECA reimbursement from their last place of employment for partial year’s work.
* If retired and in full time assignment in parish: eligible for SECA reimbursement from parish.
* No SECA reimbursement allowed for: Pension income, ADLF Deferred income or Miscellaneous income.

**Sacramental Coverage (when requested by the parish)**

 Weekend Masses (*with or without homily)* Each Mass $50

Weekday Holy Day Masses (with or without homily) $50

 Scheduled Session of Reconciliation $25

 Weekday Mass $30

 Wedding or Funeral *(with or without homily)* $50

Daily mass intention stipends and mileage are to be added to the above figures for budgeting purposes. When spending the night at a parish for the weekend, meals are to be provided (in rectory, at a parishioner’s home, in a restaurant—receipts must be submitted). Sacramental coverage stipend compensation must be directed through Central Payroll for all active and retired Archdiocesan-employed priests.

**Workers Compensation Insurance**

Workers compensation insurance for priests is included in [Appendix C](#Appendix_C) in the overall Workers Compensation Insurance Premium for your location.

**Health Insurance**

The Archdiocese provides full coverage (100%) of a priest’s health care expenses. Parishes are assessed for priest health care as discussed in the Billing and Assessments section.

**Medicare, Part B Reimbursement**

Priests are asked to apply for Medicare prior to their 65th birthday. The Archdiocesan health plan will remain primary coverage and Medicare will be secondary. After retirement, Medicare becomes the priest’s primary medical coverage, and the Archdiocesan health coverage is the secondary insurance. Anyone paying for Medicare, Part B should contact the Human Resources Office. Reimbursements occur monthly on the 2nd pay period of each month.

**Priest Retirement**

Archdiocesan priests receive monthly benefits from the Priest Retirement Plan beginning the month following the priest’s 70th birthday. The monthly retirement benefit for the 2024-25 fiscal year will be changed based on cost-of-living statistics for January-March and will be available in May 2024 from the Human Resources Office. Applications for retirement benefits can be obtained through the Human Resources Office.

**Retirement Saving Plan Benefits**

Archdiocesan priests can also contribute a maximum of $23,000 into the 403(b) plan for calendar year 2024. Priests age 50 and over are eligible for an additional $7,500 catch up provision, for a total annual contribution of $30,500 for calendar year 2024. Archdiocesan priests will receive a 50% match on contributions of up to $2,400 per year. Therefore, a priest who contributes $2,400 over the course of a calendar year would receive a match of $1,200. Priests must contact Human Resources to opt into the 403(b) plan. Contributions can be changed by the priest at any time by contacting Human Resources as well. All matching funds vest immediately. All monies deposited in the 403(b) plan are deposited before taxes.

**Mileage Reimbursement**

Mileage incurred by a priest on behalf of parish business needs to be reimbursed through the parish office.

The Archdiocese Catholic Center reimburses employees and clergy for business miles incurred at 100% of the IRS guidelines, but this rate is not mandatory. We recommend that parishes and agencies evaluate the impact to the budget and apply the rate to both employees and clergy.

Archdiocese/IRS mileage reimbursement rate: $0.67/mile

Business miles must be documented in writing to the parish to receive reimbursement. The daily commute from an offsite residence to the parish office is not includable for reimbursement purposes.

Mileage incurred by a priest on behalf of parish business needs to be reimbursed directly to the priest through the parish office. ***Please do not include this amount with any sacramental coverage stipends or daily mass intention stipends that may be submitted to Central Payroll.***

Utilization of the reimbursement of the standard mileage rate is in lieu of obtaining reimbursement for maintenance and repairs, tires, gasoline and related taxes, oil, insurance registration and depreciation or leasing costs.

**Car Insurance**

All priests must carry, and pay for, minimum liability insurance ($100,000 per person/$300,000 per occurrence for liability and $50,000 for property damage is recommended) on their personal automobiles and other vehicles to protect their own interests in any judgment against their own person.

**Continuing Education**

A maximum of $1,300/year, payable by the priest’s parish or agency. This figure is not cumulative from one year to the next and is payable only for actual expenses incurred, not as an “allowance.” All continuing education expenses must be substantiated before reimbursement or payment of fees can be made. Continuing education is to improve one’s ministry through academic courses (classroom, on-line, DVD), books, homily helps, etc. Contact the Vicar for Clergy office if exceptions are needed.

**Retreat Reimbursement**

The standard fee, payable by the priest’s parish(es) or agency, for the Archdiocesan Retreat is $1000 either preached, private or directed at a retreat house/religious center. Retired priests may seek reimbursement through the Office of Clergy. This reimbursement is payable only for actual expenses incurred, not as an “allowance.”

**Death Benefit**

In the event of a priest’s death, the Archdiocese of Indianapolis will be responsible for burial expenses, not as an allowance, up to a maximum level of $6,000. The estate of the priest must cover all expenses in excess of this amount.

**Room and Board**

Parishes, schools and agencies are to provide room and board for priests assigned to these ministries. Please allow the necessary budgetary amounts. Housing expenses, meals and food purchases may be reimbursed only upon submission of actual receipts for actual expenses incurred, not as an “allowance.”

**Allowances, in general:**

No priest expense reimbursements may be given without receipts such as an “allowance.” All expense reimbursements are to be considered as “accountable” reimbursements under IRS guidelines and given only upon submission of receipts for actual expenses incurred.

**Priests with Multiple Assignments**

To better share costs of priests that have responsibilities at more than one parish, school, or agency, we recommend the expenses including salary, room and board, SECA reimbursements and continuing education and retreat benefits be proportionally divided between the parishes/schools/agencies. For example, if a priest equally spends his time at the parish and high school, a 50-50 split down the middle on all expenses would be equitable.

This also applies to clergy who are assigned to the Catholic Center as well as a parish. Additionally, the Catholic Center will provide a room and board credit to the parish for the percentage of time that the priest spends at the Catholic Center. For example, a priest that spends 25% of his time at the Catholic Center and 75% of his time at his parish. The parish will receive a room and board credit on their monthly Archdiocese billing statement for 25% of the average monthly room and board cost (for FY24-25, estimated as $1,100 per month).

 Contact the Vicar for Clergy for assistance in determining shared costs.

APPENDIX B – PICA REVIEW SCHEDULE

Parish Internal Control Assessments should take place between July 1, 2024 and June 30, 2025, for the following locations.





**INSTRUCTIONS FOR APPENDICES C - E**

All three of the files can be found at <https://www.archindy.org/finance/parish/guidelines.html>, or by following the direct links below. For this to work, be sure that you have ‘Enabled Editing’ of the Budget Guidelines document. You may receive a security warning upon attempting to open each Excel file.It is safe to proceed with opening the attachments. **Be sure to save the Excel files to your computer (‘Save As’ and select a location) so that any work you do in them is not lost.**

**[APPENDIX C – ASSESSMENTS BY LOCATION](https://www.archindy.org/finance/parish/guidelines.html)**

Appendix C is an Excel file that contains the assessments for all locations, including parishes, schools, agencies, and Catholic Center Departments.

The file can be found on the Archdiocese website <https://www.archindy.org/finance/parish/guidelines.html>.

**[APPENDIX D – BUDGET FORMS – PARISHES AND SCHOOLS ONLY](https://www.archindy.org/finance/parish/guidelines.html)**

Appendix D (Parishes and Schools only) is an Excel file that contains separate tabs for the following budget resources and forms:

* Budget Approval Form
* Projected Three Year Capital Expenditure Budget
* Blank Salary Spreadsheet Template

The file can be found on the Archdiocese website <https://www.archindy.org/finance/parish/guidelines.html>.

**[APPENDIX E – BUDGET FORMS FOR INTACCT USERS – AGENCIES AND CATHOLIC CENTER DEPARTMENTS ONLY](https://www.archindy.org/finance/parish/guidelines.html)**

Appendix E (Agencies and Catholic Center Departments only) is an Excel file that contains separate tabs for the following budget resources and forms:

* Instructions and Completion Checklist
* Budget Spreadsheet
* Professional Development Budget Form
* Capital Expenditures Budget Form
* Example Completed Budget Spreadsheet
* Dimension Listings and Program Assignments for Department Heads

The file can be found on the Archdiocese website (<https://www.archindy.org/finance/parish/guidelines.html>).