

Budgeting

- ◆ A budget is an educated estimate of the dollar amounts of parish income and expenses for the upcoming fiscal year. This budget or financial plan, is essential for the proper management of a parish's temporal goods. It forces a parish to consider what it can and cannot achieve during the fiscal year. This complements the long-term planning necessary to accomplish parish objectives.
- ◆ The fiscal year operating budget (July 1st to June 30th) is to be prepared and approved by the Parish Finance Council. If any assessments or other obligations are past due, a plan for their payment must be incorporated into the budget. The budget is to be submitted to the Diocese using the Parish Budget Report which is mailed to each church in March. The due date for the report is May 31st and it must be signed by the Pastor, the Parish Council Chairperson, and all members of the Finance Council.
- ◆ In order to better estimate the income and expenses, all financial records and reports should be made available to the Finance Council at each meeting. The Finance Council should not rely entirely upon the verbal reports of the Pastor, Business Manager, or bookkeeper, as the sole sources of financial information. Parish-affiliated organizations that contribute to the income of the parish, whether for the elementary school or other uses, should submit an income and expense budget to the Finance Council.
- ◆ If the parish has a school, the Finance Council should have a copy of the elementary school's entire budget to determine the amount of parish subsidy needed and the amount of financial support that can be obtained from sources other than the offertory collection. It is recommended that no less than 20% or more than 40% of parish ordinary income is to be used to subsidize the elementary school. Parish income for this purpose is defined as the total of offertory, unrestricted interest and dividends, and net parish activity income. Parishes which do not fall within this guideline will be expected to develop a plan for implementation of the policy or seek approval for an exception to the rule." This guideline suggests the need for close cooperation between the Parish Finance Council and those responsible for the preparation of the school budget.