# Assessments/Catholic Services Appeal

The following is a summary of the various diocesan assessments and charges for services which are regularly billed to the parishes by the Finance Office. In addition, there are other items which are handled separately or on an 'ad hoc' basis and do not appear on the monthly statement which is sent to each parish.

- **DIOCESAN FUND:** Tax for diocesan needs as permitted by Canon Law. Also provides funding for FAITH Magazine. The total is pro-rated among all parishes based on reported taxable income for the previous fiscal year. Taxable income includes offertory, most interest and dividend income (Catholic Deposit and Loan Fund interest is excluded), and net parish activity income. Total income is reduced by a 60 percent credit for elementary and secondary school subsidy expenses, a 50 percent credit for religious education expenses, and a 100 percent credit for loan interest payments made from operating income. 25% of the assessment is billed on 7/1/, 10/1, 1/1, and 4/1.

- **CATHOLIC SERVICES APPEAL:** Quotas are set for each parish based upon the average taxable income over the past three years. The components of the formula for taxable income include income from offertory income, reduced by a credit of 80 percent for elementary and secondary school subsidy expenses, a 70 percent credit for religious education expenses, and a standard deduction of $2,500.

  The Appeal is conducted on a calendar year basis with "Commitment Sunday" usually occurring near the beginning of Lent. Payments on the parish quotas are to be made in four installments (4/30, 6/30, 9/30, 12/31).

- **PRIEST RETIREMENT:** This assessment is calculated from the same formula that is used for the Diocesan Fund. Most of the funds realized from this assessment are invested in the Priests Retirement Plan. This assessment is also used to provide health insurance benefits for retired clergy and to help subsidize the operation of the Priests Retirement Home.

  This assessment is billed on a fiscal year basis and quarterly payments are requested (same schedule as the Diocesan Fund).

- **SELF-INSURANCE:** The renewal for the property and casualty coverages provided through the Diocesan Protected Self-Insurance Program occurs each year on May 1. Parishes and other participating entities are then billed according to a formula which recognizes the following components: property replacement value and construction type; liability exposure; frequency and size of activities held, workers' compensation coverage; number and type of vehicles; and boiler coverage.

  The total charge is to be paid in three installments which are due in May (40%), August (30%), and December (30%). The total amount billed to parishes is determined from the Self-Insurance program's overall costs including premiums, claims payments, and service fees.

- **CATHOLIC SCHOOL SUPPORT:** Financial Support for regional schools and systems is provided directly from the parishes in their respective areas using formulas adopted at the local level. In addition, the Diocese assesses and bills certain other parishes for elementary and/or secondary school support using a formula which is similar to that which is used for the Diocesan Fund.

- **REGIONAL RESOURCE SHARING:** This special assessment became effective for 2012-2013. Included in this assessment are several categories of income that are excluded from the other assessments. These categories include rental income less certain expenses, bonus payments on payments received from oil and gas leases, royalties on oil and gas production, and other unexpected sources to be evaluated on a case-by-case basis. Parishes supporting a school with a subsidy of at least 40% of ordinary income are exempt from the assessment. There is an exemption of $10,000 for each item. The assessment rate applied is then 5%. The assessment is payable to the diocese by September 30th. The monies collected from this assessment will be designated by the Bishop of Erie to benefit programs or ministries in the particular area from which the income was derived.

(manual assessments page.doc T. Burik, 4/5/2019)