

Diocese of Dallas

Policy on Annual Appeal and Parish Assessments

Funding for the operating budget for the Pastoral Center and its ministries, education of seminarians, financial aid for schools and the cost of continuing education, medical insurance and financial assistance for retired priests are derived from two primary sources:

- I. The Bishop's Annual Campaign for Catholic Ministries ("Annual Appeal"), which is directed through all parishes.
- II. Direct assessments of parishes.

I. Annual Appeal

Each pastor, priest and pastoral administrator has an important responsibility to actively support the Annual Appeal and to diligently solicit pledges and the payment of pledges for that campaign.

The Parish goals for the Annual Appeal are established each year by the diocesan Appeals Office and Development Office and approved by the Bishop. The aggregate goal is based on comprehensive, ongoing budgetary considerations, and the individual parish goals are generally based on relative offertory collections of the parishes.

The Appeals Office provides a detailed calendar of Appeal activities, deadlines, instructions and assistance to each parish. The Appeals Office records all pledges, sends statements, reminders and other follow up to individual donors, as well as letters to donors documenting their contribution payments. The Appeals Office also provides regular reporting to each parish on the status of the parish's goal, pledges and payments on those pledges.

II. Assessments of Parishes

Under Canon Law, the Bishop has the authority (and pastors have the compliance responsibility) to assess parishes, communities and other juridic persons in the Diocese to generate sufficient revenues to perform the reasonable missions and activities for the Diocese.

The Bishop may appoint a committee of pastors to review and monitor the assessment structure and, working with the Diocesan Chief Financial Officer, make appropriate recommendations to the Presbyteral Council.

Periodically, the CFO will review the assessment program definitions, deductions and rate structure. The Diocese has established the following for assessment rates: 12.6%, 11.6%, 8.4% and 5%. These rates are applied to assessable revenues as defined below. Parishes are placed in each rate category based on their recurring total revenues, excluding capital campaigns. Periodically the data is reviewed and parishes can be moved from one rate category to another.

New parishes and communities are exempt from assessment for their first year of existence and will be assessed at 5% during the second year.

Assessments are reportable and payable quarterly and all references to "fiscal year" are for the twelve months ended June 30. The Diocese provides the quarterly assessment reporting form to each parish each quarter.

Included below are the most recent definition of assessable revenue and definition of allowable deductions for assessment purposes.

A. Definition of Assessable Revenues

All revenues received by a parish, church or chapel are assessable except for:

1. Contributions to trusts (for which a copy of the Trust agreement has been furnished to and approved by the Bishop).
2. Contributions for an approved specific capital project that involves purchase of real estate, new construction or major replacement that will commence within a reasonable time after the start of the campaign. This project must be approved in advance by the Bishop through the Diocesan Business Office.
3. Diocesan or National Special Collections.
4. Other specific donor-restricted contributions for which the expenditure is expected to be made within twelve months of receipt.
5. Contributions received directly from another parish within the Diocese.
6. Fees charged for parish ministries to help offset some of the costs.

These exceptions do not include collections for a general "building fund" or similar general purpose, or for "special collections" for operational items.

Therefore, assessable parish revenues include, but are not limited to, regular collections at Masses; all donations unless excepted above; *net proceeds* from socials, carnivals, auctions, raffles, and similar fund raising activities; interest and dividend income; proceeds from the sale of donated securities or real estate; gains on sales of investment securities or real estate; facility/usage fees; rents; and oil and gas royalties.

For any sources of revenues that a Parish believes should be exempt, but is not listed as exempt in this policy, a request for a determination must be submitted to the Diocesan Chief Financial Officer.

B. Definition of Deductions

The following are the only deductions from assessable revenues that may be taken:

1. All interest and principal payments on approved debt with an original term in excess of one year and that was incurred for purposes of construction or real estate purchase only, **but only to the extent such payments exceed exempt amounts in item A.2. above.**
2. All direct subsidy payments to any parish school, not to exceed \$250,000 during each fiscal year. School subsidy payments (direct cash or payments of school expenses) must be accounted for and reported in accordance with the standard charts of accounts for parishes and for schools.
3. Special situations authorized by the Bishop in advance.

If deductions for a reporting quarter exceed the assessable revenues for that quarter, the net deficit may be carried forward to the next quarter as a deduction .