

# ARCHDIOCESE OF NEW ORLEANS PARISH SHARE POLICY 2020

## **Introduction**

In 2020, the Parish Share review committee evaluated the current parish share structure in order to better meet the needs of both the parishes and the Archdiocese. While the percentages used in the calculations were not changed, two important changes were introduced:

1. Calculating the parish share based on averages for the past three years
2. Payment of the parish share must be submitted by the 24th of each month.

## **Parish Share:**

The **Parish Share** (*cathedraticum*) to be paid by individual parishes is to be based upon an incremental (marginal) rate applied against the **Ordinary** and **Extraordinary** income **reduced** by Approved Capital Campaigns and School support, all using averages for the last three years.

- **Approved Capital Campaigns** mean only those campaigns approved in writing by the Archbishop or his designated representative for a specific purpose with a specified, verifiable goal and a campaign completion date.
- **School Support** will include only those items that are in direct support of education such as insurance payments by the parish on behalf of the school and maintenance and repairs of school buildings. Maintenance and repairs to buildings and physical facilities used by the school and parish will be prorated between the school and parish in consultation with the Archdiocesan Finance Office. (N.B. Any Capital Campaign dollars used for school maintenance cannot be deducted twice.) School Support shall also include school vouchers paid to other parishes and direct subsidy to cover operating expenses.
- **Non-Assessed Income** is unexpected income – such as (BP Settlement, Cares Act Funds (PPP)).

## **Parish Share Structure:**

The Parish Share to individual parishes is based on an incremental rate applied against the “net income” of the parish. Net income is defined as the Ordinary and Extraordinary income after reduction of the following averaged for the last three years:

- a. Approved Building Campaigns
- b. Non Assessed Income
- c. School Support

For parishes whose net income is from \$0 to \$100,000, a 5% rate is applied to the entire amount.

For parishes whose income is from \$100,001 to \$200,000, an 8% rate is applied to the entire amount.

For parishes whose net income is from \$200,001 to \$400,000, a 10% rate is applied to the first \$200,000 and a 15% rate is applied to the remainder.

For parishes whose net income is \$400,001 to \$600,000, a 15% rate is applied to the first \$400,000 and an 18% rate is applied to the remainder.

For parishes whose net income is from \$600,001 to \$800,000, a 15% rate is applied to the first \$400,000, an 18% rate is applied to next \$200,000 and a 19% rate is applied to the remainder.

For parishes whose net income is greater than \$800,000, a 15% rate is applied to the first \$400,000, an 18% rate is applied to next \$200,000, a 19% rate is applied to next \$200,000 and a 20% rate is applied to the remainder.

## **Parish Share Payment:**

Parishes will receive an Annual summary of cost and be billed monthly. Parish payments must be sent to the Archdiocese by the **24th** of each month. Non-payment after 90 days automatically triggers a review of parish finances by the parish share review committee.

## **Parish Share Review Committee**

Since no formula can cover all circumstances in such a diverse Archdiocese as New Orleans, a review process was established in order to assist with special circumstances. The Parish Share Review Committee was established to assist those parishes who face financial difficulty in the short term because of the Parish Share and Expense requirements. The Parish Share Review Committee should consist of no more than five Pastors of which one would be a member of a religious community. The members should serve staggered terms of three years. The Vicar General, Vicar for Finance and CFO will serve as ex-officio members.

## **Requirements for Seeking Assistance**

- For those seeking assistance there must be a consistently demonstrated program for meeting the financial needs and participation of the parish in the Parish Share Program.

Those seeking assistance in this fiscal year must have paid something toward their Parish Share in the last fiscal year.

Those seeking assistance will have had an increase in Ordinary Income for the prior fiscal year.

All subsequent years the above (a & b) will apply.

Create a Pastoral Plan to increase Offertory income within the review period.

Those parishes falling too far behind with their Parish Share by the second quarter will automatically trigger a viable parish review.

The letter requesting assistance **must now be signed not only by the Pastor, but also the Chairs of both the Parish Pastoral Council and the Parish Finance Council.**

- As always the Archbishop has the right to alter the above as situations occur.

## **Second Collection Option:**

*Parishes may choose to continue the present method of taking second collections, but we recommend a more stewardship-based approach to meeting these needs of the national and international church. This proposal is based upon parish stewardship in the same way an individual would practice good stewardship.*

## **Procedure:**

This policy shall take effect immediately.

We offer the following guidelines:

- 1) All annual Archdiocesan and national collections should be included in a parish's annual budget. The initial amount to be given for the collection should be based on the rolling average of the previous three years for that collection.
- 2) As the parish develops a new budget for the next fiscal year, the amount should be adjusted according to the increase or decrease of parish's ordinary income from the previous year.
- 3) Ordinarily, these budgeted collections would not require a true second collection at the weekend masses. However, a parish may choose to make a special appeal with a second collection for certain needs of particular importance to that local church.
- 4) Parishes must maintain the annual Missionary Cooperative Appeal for the Propagation of the Faith.

## **Determination of a Viable Parish**

A parish is considered viable when it is active spiritually, pastorally and fiscally:

**Spiritually:** the parish is expected to be Eucharistically and Sacramentally centered feeding the Community that is focused not only on themselves but also outwardly beyond themselves sharing the Good News of Jesus Christ.

**Pastorally:** meeting the needs of a faith community in areas of faith formation, family life, youth ministry, vocation development, social justice issues as well as meeting the needs of the poor.

**Stewardship (Fiscally):** the parish should have sufficient means of support to maintain the pastoral programs, the required buildings and the support of the priest(s) assigned to it, as well as the Archdiocesan Parish Share, Assessments and other charges (Flood Premiums, School vouchers, etc.)

*NB: A checklist will be developed from the parish's Annual Pastoral and Financial Reports. The Dean and the two Parish Share Committee members (Pastors) will determine the spiritual and pastoral viability of the Parish.*

The Parish Share Committee Chairman, Vicar of Finance, and CFO will review the quarterly Parish Expense Report. For those Parishes who are substantially behind in payments (90 days):

First Quarter: The Dean and two members of the Parish Review Committee will meet with the Pastor and the Parish Finance and Pastoral Councils to develop a plan to reach fiscal viability. During the Second Quarter the Parish Share Chairman and Finance Office and the Dean will monitor the development and implementation of the plan.

Third Quarter: If insufficient progress is made with the plan the Pastor and the Chairs of the Finance and Pastoral Councils of the parish will meet with the Dean and two members of the Parish Review Committee and the subcommittee of the Finance Council to make specific recommendations.

Fourth Quarter: The Dean would submit the Pastoral report to the Archbishop and a full financial plan would then be presented to the whole Finance Council which would then make a recommendation to the Archbishop for further action.

## **Conclusion**

The Parish Share Committee will continue to monitor the calculation process. The Review Committee will handle all appeals and particular situations as they arise.

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Deans Council: September 8, 2020

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