Understanding Parish Ordinary Income
MARCH 10, 2015
12:30-2:00, EARLY, IA

What's “New” is Not Really “New”

2008 – 09 Fiscal Year

- Diocese changed the calculation for Cathedraticum to Ordinary Income to comply with Canon Law 1263.
- Phase-in parameters are still being used for this calculation

2014 Diocesan Annual Appeal (DAA):

- Ordinary income becomes the method for establishing parish goals and diocesan support
### What is Parish Ordinary Income?

*Revenue the parish receives for general parish operations.*

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### Parish Ordinary Income Consists Of:

**Offerings Collected (cash & envelopes)**

- **Weekly Envelopes**—adult & children
- **Loose Offerings**
- **Special Collections That Remain In Parish:**
  - Examples:
    - Assumption of Virgin Mary
    - Assumption of the Most Holy Blessed Virgin
    - Holy Thursday
    - Easter
    - Christmas
    - All Saints

*Note: This list is not all inclusive.*

**Note:** Special collections recorded in "in-out" funds held accounts (Peter’s Pence, Missions, Catholic Charities, etc.) are not included in ordinary income.

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### Parish Ordinary Income Consists Of:

**Other Parish Income**:

- **Grain and Stock Donations**
- **Flowers**
- **Bulletin Revenue**
- **Vigil Candle**

**Parish Rental**

**Funeral**

**Choir**

*Note: This list is not all inclusive.*

**NOTE:** Steubenville, Totus Tuus, and other youth groups (not to be confused with general youth ministry) income and expense is in a separate account.

**NOTE:** The DAA payback is excluded from ordinary income.
Parish Ordinary Income Consists Of:

- **Rental Property Income**
  - Farm & Convent

- **Investment Earnings** (Interest Earned on Bank Accounts)
  - Checking, Savings/Money Market, Certificates of Deposit

- **Interest, Dividends, Realized/Unrealized Earnings on Investment Accounts**
  - Diocesan Deposit Savings
  - Diocesan General Investment & Catholic School Foundation
  - Mutual Funds, Stocks, Bonds
  - Gift Annuities, Endowments

*Note: This list is not all inclusive.*

Parish Ordinary Income Consists Of:

- **Entertainment & Festivals (aka Auxiliary Income)**
  - Women’s, Altar, & Rosary Society
  - Men’s Society
  - Festivals/Bazaars (Auctions, Balls, Galas…)
  - Other Group Activities
  - Other Fundraising Activities

*Note: Expenses related to auxiliary groups are deducted from parish ordinary income.*

Parish Ordinary Income Consists Of:

- **Contributions & Donations**
  - For parish operations and general building improvements

*Note: This list is not all inclusive.*
**EXCLUDED from Ordinary Income**

**Contributions & Donations**
- Building fund campaigns and capital projects
  - With approved resolution and donations maintained in a separate checking/income account
- Endowment Fund (Donor Restricted-Only)
  - With approved endowment agreement
- Memorials & Bequests
  - Donations in separate income account; memo indicates memorial honoree or name of estate
- Debt Reduction
  - Maintained in separate income account

*Note: This list is not all inclusive.*

**Parish Ordinary Income Consists Of:**

**Other Income**
- Health care credit
- Parish proceeds from scrip program
- Other miscellaneous income

*Note: This list is not all inclusive.*

**EXCLUDED from Ordinary Income**

**Other Income**
- Cemetery
- Insurance reimbursement
- Scrip Receipts & Disbursements (excludes Parish Profits)
- In kind donations
- Gain or loss on sale of fixed assets

*Note: This list is not all inclusive.*
Catholic School Deduction

Catholic Schools are a critical mission and responsibility of the entire Diocese of Sioux City. Net Catholic school expenses are deducted from parish ordinary income.

Example: Parish School

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total School Income</td>
<td>296,500.00</td>
</tr>
<tr>
<td>Less: Parish Subsidy</td>
<td>(116,750.00)</td>
</tr>
<tr>
<td>= Net School Income</td>
<td>179,750.00</td>
</tr>
<tr>
<td>Less: Total School Expense</td>
<td>(424,100.00)</td>
</tr>
<tr>
<td>= Net School Expense</td>
<td>(244,350.00)</td>
</tr>
</tbody>
</table>

Example: Multi Parish School

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total School Expense</td>
<td>(143,500.00) *</td>
</tr>
<tr>
<td>School Assessment Paid by Parish</td>
<td>(460,000.00)</td>
</tr>
<tr>
<td>= Net School Expense</td>
<td>(603,500.00)</td>
</tr>
</tbody>
</table>

* Only for parishes that have school buildings to maintain
Multi-Ethnic Ministry

The Diocese of Sioux City seeks to help all people grow in the Catholic faith. Many churches provide Mass and worship to different ethnicities.

The reality: This ministry results in extra costs.

The solution: Parishes that offer multi-ethnic ministries will be provided with a deduction of the related expenses from parish ordinary income.

How to get the deduction: Segregate multi-ethnic expenses (wages except pastor salary, taxes, benefits, administrative, ministry, festival, etc.) in QuickBooks. These are reduced by grants received.

Example:

<table>
<thead>
<tr>
<th>Weekly Envelope Giving</th>
<th>350,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loose Offerings</td>
<td>23,000</td>
</tr>
<tr>
<td>Other Parish Income</td>
<td>18,000</td>
</tr>
<tr>
<td>Investment Earnings</td>
<td>5,000</td>
</tr>
<tr>
<td>Rental Property</td>
<td>1,000</td>
</tr>
<tr>
<td>Auxiliary Income</td>
<td>3,000</td>
</tr>
<tr>
<td>Restricted &amp; Unrestricted Contributions</td>
<td>18,000</td>
</tr>
<tr>
<td>Other Income</td>
<td>2,000</td>
</tr>
<tr>
<td><strong>Total Parish Ordinary Income</strong></td>
<td>445,500</td>
</tr>
<tr>
<td>Less: Auxiliary Expense</td>
<td>(8,500)</td>
</tr>
<tr>
<td>Less: Multi-Ethnic Expense</td>
<td>(12,500)</td>
</tr>
<tr>
<td><strong>Net Parish Ordinary Income</strong></td>
<td>425,000</td>
</tr>
<tr>
<td>Net School Expenses</td>
<td>(244,350)</td>
</tr>
<tr>
<td><strong>Parish Ordinary Income Net of School</strong></td>
<td>180,650</td>
</tr>
</tbody>
</table>

* DAA, cemetery, capital campaign, endowment donations, bequests, scrip, and insurance reimbursement were excluded.

Summary

The average parish ordinary income of three most current years

**DIVIDED BY**

The total ordinary income of all parishes

**MULTIPLIED BY**

Total DAA Goal

**EQUALS**

Parish Goal (same for Diocesan Support)

Subject to other parameters as determined by the DAA priest committee.
YOU’RE INVITED!

2015 Diocesan Business Days:
• April 21 – Storm Lake – Kings Point Resort
• April 23 – Sioux City – Stoney Creek Inn
• April 28 – Fort Dodge – Starlite Village

9:00 AM—Registration
9:30 AM—Meeting Begins