


# Understanding Parish Ordinary Income

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MARCH 10, 2015

12:30-2:00, EARLY, IA




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## What's "New" is Not Really "New"

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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

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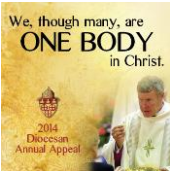
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## What's "New" is Not Really "New"

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2014 Diocesan Annual Appeal (DAA):

- Ordinary Income becomes the method for establishing parish goals and diocesan support.




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### 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:

- Solemnity of Mary
- Assumption of Blessed Virgin Mother
- Feast of the Immaculate Conception
- Holy Thursday
- Easter
- Christmas
- All Saints

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

\*Note: This list is not all inclusive.

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### Parish Ordinary Income Consists Of:

#### Other Parish Income\*:

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|---------------------------|---------------|
| Grain and Stock Donations | Parish Rental |
| Flowers                   | Funeral       |
| Bulletin Revenue          | Choir         |
| Vigil Candle              |               |

Be mindful to record Steubenville, Totus Tuus, and other youth group (not to be confused with general youth ministry) income and expense in a separate account.

NOTE: The DAA payback **is excluded** from ordinary income.

\*Note: This list is not all inclusive.

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**Parish Ordinary Income Consists Of:**

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**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.

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**Parish Ordinary Income Consists Of:**

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**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.

\*Note: This list is not all inclusive.

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**Parish Ordinary Income Consists Of:**

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



\*Note: This list is not all inclusive.

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**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.

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**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.

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**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.

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**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.



Kuemper Catholic Schools; Carroll, IA

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**Catholic School Deduction**

**Example: Parish School**

Total School Income	296,500.00	
Less: Parish Subsidy	(116,750.00)	
= Net School Income	179,750.00	
Less: Total School Expense	(424,100.00)	
= Net School Expense	(244,350.00)	

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**Catholic School Deduction**

**Example: Multi Parish School**

Total School Expense	(143,500.00) *	
School Assessment Paid by Parish	(460,000.00)	
= Net School Expense	(603,500.00)	
* Only for parishes that have school buildings to maintain		

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## 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.




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## Example:

Weekly Envelope Giving	350,000	
Loose Offerings	23,000	
Other Parish Income	18,000	
Investment Earnings	15,000	
Rental Property	5,000	
Auxiliary Income	13,000	
Restricted & Unrestricted Contributions	18,000	
Other Income	3,500	
Total Parish Ordinary Income	445,500	
Less: Auxiliary Expense	(8,000)	
Less: Multi-Ethnic Expense	(12,500)	
Net Parish Ordinary Income	425,000	
Net School Expenses	(244,350)	
<b>Parish Ordinary Income Net of School</b>	<b>180,650</b>	*

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

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## 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 phase in parameters as determined by the DAA priest committee

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# 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

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