



**DIOCESE OF TUCSON**  
**BISHOP MORENO PASTORAL CENTER**  
**FISCAL SERVICES**

111 South Church Avenue • PO Box 31  
Tucson, Arizona 85702-0031  
520-792-3410 FAX 520-838-2582

**MEMORANDUM**

**DATE:** April 30, 2011  
**TO:** PARISHES  
**FROM:** Tom Arnold, CFO  
**RE:** 2011-12 BUDGET GUIDELINES AND ASSUMPTIONS

---

Business Managers and Bookkeepers are reminded that two levels of approval are needed once the budget is completed and prior to its submission to the Fiscal Department of the Diocese. (The Parish Finance Council and the Corporate Board of Directors). Here are the guidelines to assist in the preparation of your 2011-12 budget:

**I. PERSONNEL COSTS**

**A. Clergy**

Priests' salary schedule for 2011-12, the salary portion has increased 3%.

Years Ordained	Annual Salary for Priests who have a vehicle provided:	Annual Salary for Priests with personal car:
0 – 5	\$ 11,212	\$ 19,012
6 – 10	12,219	20,019
11 – 15	13,087	20,887
16 – 20	14,005	21,805
21 +	14,920	22,720

Priests who drive a parish or diocesan owned vehicle will not receive the \$7,800 annual car allowance for FY 2011-12.

**B. Sisters**

The schedule for Sisters' salaries for 2011-12 is as follows, up 3% from 2009-10:

Annual stipend – 12 months      \$18,000  
Annual stipend – 10 months      \$15,882

Housing*	\$5,036
Retirement	\$1,377

\*Applicable only where Sisters provide their own housing and are not provided a parish convent.

Health insurance is negotiated separately. If provided, the cap is equal to the Diocesan premium for a lay employee.

Transportation is negotiated separately between religious order and organization.

**C. Lay Employees**

The minimum wage mandated by Arizona law is currently \$7.35. All Parishes must pay at least this minimum wage.

**D. Teacher Salaries**

Please refer to the schedules for the 2011-12 salaries applicable for teachers or principals available from the Catholic Schools Office. **Please note that these are guidelines only and should be implemented after considering parish resources and obligations.**

**II. EMPLOYEE BENEFITS**

**A. Health Insurance for Lay Employees**

There will be no substantial changes to health insurance rates for 2011-12.

This benefit is applicable to employees working thirty (30) hours or more per week on a regular basis and having completed their introductory period. Priests' health insurance costs are included in the PAC dues.

The health insurance premium for fiscal year 2011-12

- \$ 564/month per employee
- 840/month per employee + children (\$276/month additional cost to employee)
- 924/month per employee + spouse (\$360/month additional cost to employee)
- 1,091/month per employee + family (\$527/month additional cost to employee)

**B. Dental Coverage**

The current rates for Employer Dental Services (EDS) and Delta Dental are detailed below:

Delta Dental:	\$31.04/employee/month or \$88.60/employee+family/month
EDS:	\$13.00/employee/month or \$29.00/employee+family/month

### **C. Payroll Taxes**

FICA taxes will continue to be 7.65% for all lay employees. Compensation for priests and sisters **are not** subject to Social Security or Medicare taxes, as they are considered self-employed for this purpose.

### **D. Unemployment Insurance**

The Diocese of Tucson and its parishes **are exempt** from this insurance under federal and state statutes.

### **E. Lay Employee Pension Plan**

The LEPP rate remains at **5.25%**; with the only exemption from the 5.25% assessment on payroll is for religious salaries (priests and sisters). There are no other exceptions. All salaries of ALL lay employees for both full-time and part-time are included.

### **F. Long-Term Disability Insurance**

The 2011-12 rate for LTD is \$.61 per \$100.00 of gross payroll. The rate will apply to lay employees who become participants if they work thirty (30) hours or more per week on a regular basis and have completed two (2) years of employment. The Diocese will collect the payment directly from the parish's bank account at the beginning of each month along with health and life insurance payments. Long-term disability insurance does not cover priests and sisters.

### **G. Life Insurance**

The premium for Life and Accidental Death and Dismemberment Insurance will be calculated at 1.5 times the annual salary at a combined monthly cost of \$0.19 per thousand dollars of life insurance benefit (\$0.165 for Life and \$0.025 for AD&D). This benefit applies to **all lay employees** who work thirty (30) hours or more per week and have completed their introductory period.

### **H. Workers' Compensation/Industrial Insurance**

The Diocese will continue its "Self-Insured Workers' Compensation Program." The rates are based upon an employee's duties and are computed by the Diocese based upon census information supplied by the parish. Industrial insurance, unlike our other coverage, runs on a calendar year basis. See Worker's Compensation attachment for classifications and rates.

### **I. Retreat & Convocation Fees**

Budget \$485 per week per retreat, and \$450 for convocation expenses.

### **J. Mileage Reimbursement**

With the sky rocketing cost of gas the IRS has been adjusting the allowable mileage reimbursement as the cost of gasoline falls or rises. Currently the rate is \$0.51 per mile. You can check the IRS website for any adjustments at [www.irs.gov](http://www.irs.gov) and type "mileage reimbursement rate" into the search box in the top right hand corner of the web page. Each parish may determine the rate they will pay for mileage; currently the Diocese of Tucson pays \$.30 per mile.

### III. OTHER EXPENSES

#### A. Assessments

##### *Chancery Assessment*

The chancery assessment for 2011-12 is based upon sustaining contributions for fiscal year 2010-11. That computation is not made until all parish financial reports are received by the fiscal office. Monthly billings in the July through November 2011 period will be based upon the final chancery assessment calculated for fiscal year 2010-11. When all parish financial reports are received, we will adjust your billings for the months remaining through June 2012 to reflect the chancery assessment based on the final calculations.

##### *Priests' Assurance Corporation Support*

We anticipate a 3% increase in the PAC dues for the coming fiscal year. Please remember that PAC dues are billed on a pro-rata share of total ordinary income in the Diocese and each parish's share may go up or down based on their percentage of overall income among all parishes.

##### *Priests' Salary Subsidy*

This assessment is based on your parish's proportion of sustaining contributions to the total of all parish sustaining contributions who do not receive this subsidy. Parishes who receive this subsidy are exempt from paying this assessment. Your proportion cannot be determined until the fiscal office receives all parish financial reports. Historically, the parishes pay only a portion of the priests' salary subsidy that is distributed to our poorest parishes.

We do not anticipate an increase in the Salary Subsidy for next year, but each parish's share is based on a pro-rata share of total ordinary income in the Diocese and each parish's share may go up or down based on their percentage of overall income among all parishes.

##### *School Assessment*

This assessment only applies to the Tucson metro area parishes. This assessment is based on your parish's proportion of sustaining contributions to the total of all Tucson metro parish sustaining contributions. That proportion cannot be determined until the fiscal office receives all parish financial reports. In the interim, we will use the final assessment amount for fiscal year 2010-11 to bill each month starting in July until we can adjust it to actual on the Annual Financial Report is filed.

#### B. General Liability & Property Insurance

The following increases are estimates for 2011-12:

General Liability	0% increase over last year
Property Insurance	5% increase over last year

Individual billings will be affected by recent additions or improvements to parish fixed assets, or if your parish was appraised this year. Our insurance companies require that all buildings be appraised

every five years. Property insurance premiums will be billed quarterly, at the beginning of each quarter. Starting 2011-12, vehicle insurance premiums will be billed annually on July 1. It is very important that payment be remitted promptly as the Diocese cannot pay the premiums from the insurance companies until we collect from the parishes and other Catholic entities.

### **C. Batch Accounting**

The Administrative Office no longer offers batch accounting services. If your parish is using a bookkeeping service please make sure that the service is aware of Diocesan accounting policies which are available on our website under the Fiscal Services page.

### **D. Capital Budgets**

Following is a list of possible capital improvement projects your parish may decide to undertake. Please remember to include any amounts for capital improvements in a separate capital budget that accompanies the revenue and expense budget that is submitted to parish finance council, parish council, the parish board of directors, and the Diocesan fiscal office.

- Roof Repair/Recoating/Replacement
- AC/ Heating Systems
- Carpeting/Tile work
- Parking Lot Recoating/Repair/Replacement
- Major Painting Exterior/Interior
- Stucco Repair/Replacement
- Kitchen Upgrade
- Restroom Upgrade
- Major Landscaping
- Tree Trimming/Removal
- Sidewalks/Curbs/Porches/Patios
- Storage Buildings
- Playground Equipment
- Fencing/Wall

### ***Attachments***

Worker's Compensation Classifications & Rates 2011

**WORKER'S COMPENSATION  
CLASSIFICATIONS & RATES  
2011**

<b>CLASSIFICATIONS</b>	<b>DESCRIPTION OF DUTIES</b>	<b>PREMIUM RATES (% of Gross Salary)</b>
8742	Salesmen, Collectors, Messengers Outside, Plus Social Workers	0.40% (.40/\$100 Income)
8840	Churches: Organists, Clergy, Secretaries, Office Staff Professionals Assistants, Religious	0.42% (.42/\$100 Income)
8868	Schools: Professional Employees, Teachers, Teaching Sisters, Secretaries Office, etc.	0.52% (.52/\$100 Income)
9101	All other employees, School & Custodial Staff, Groundskeepers, Cafeteria Workers, DOMESTICS HOUSEKEEPERS, FULL OR PART TIME	4.42% (4.42/\$100 Income)

**(These rates include the State's Experience Modification Factor.)**