

**ARCHDIOCESE OF DETROIT**  
**PROCEDURES FOR COMPLETING THE PARISH BUDGET**  
**REPORT FORMS**

**A. Budget Report Due Date**

The Budget Report package (see below) for Fiscal Year 2011-2012 is due on May 16, 2011. If for any reason this submission deadline cannot be met, the Pastor should notify in writing the Department of Finance & Administration (Fax: 313-237-5868) of the Archdiocese of Detroit. The notification is to include an explanation for the delay and the expected submission date of the Budget Report.

The Budget Report and all required form and worksheet files are to be submitted to the Archdiocese of Detroit via email to [BudgetReports@aod.org](mailto:BudgetReports@aod.org)

AND

The Budget Report Cover-Summary with the required signatures and the Parish Budget Report Summary are submitted in one of the following ways:

- Email a .pdf file of documents to: [BudgetReports@aod.org](mailto:BudgetReports@aod.org)
- Fax to: 313-237-5868
- Mail to: **Archdiocese of Detroit**, Finance & Administration, 1234 Washington Blvd., Detroit, MI 48226-1825

**BUDGET REPORT PACKAGE**

- PARISH BUDGET SUMMARY
  - CHURCH BUDGET REPORT
  - CHRISTIAN EDUCATION BUDGET REPORT (a)
  - ELEMENTARY SCHOOL BUDGET REPORT (a)
  - DAYCARE BUDGET REPORT (a)
  - LATCHKEY BUDGET REPORT (a)
  - HIGH SCHOOL BUDGET REPORT (a)
  - NON-PARISH SCHOOL BUDGET REPORT (a)
  - CHRISTIAN EDUCATION BUDGETED TUITION AND FEES

**WORKSHEET**

- ELEMENTARY/HIGH SCHOOL BUDGETED TUITION AND FEES

**WORKSHEET**

- BUDGETED CAPITAL EXPENDITURES FORM - if Total Budgeted Capital Expenditures of \$25,000 or more

**B. Budget Report Completeness**

If any portion of the Budget Report is not completed, it may be returned and/or may not be

approved by the Archdiocese of Detroit. To avoid delays and facilitate processing and approval of the Budget Report, all required components of the report must be completed and submitted intact, including the required report signatures.

### **C. Budget Worksheets**

1. A Budget Worksheet Tab is provided for each parish operating unit, i.e., Church, Christian Education, Elementary School, High School, Latchkey, and Daycare, Non-Parish School in the Budget Worksheet excel file.
2. The Budget Worksheet has three columns for the input of financial data or numbers. The first column should show actual financial data for the immediate past fiscal year. The second column would show the current fiscal year's budget figures. The third column will contain the budget figures for the following fiscal year (the year being budgeted).
3. The Budget Worksheet rows show the control accounts and subsidiary accounts, if any, under each control account. The subsidiary accounts are shown by lines and the control accounts are shown by a box.
  - Figures shown in the third column, which represents the budgeted amounts, are subsequently transferred automatically to the Budget Report when using the Budget Report Form "Linked" excel file.

The completed Budget Worksheets are kept by the Parish and are not to be filed with the Archdiocese.

### **5. Completing the Budget Worksheets**

- a. The worksheets are completed by the Parish using data from various sources such as previous financial report figures, actual payroll and fringe benefits amounts (including any increases that were approved by the Pastor and Parish Finance Council), and any other information that can be obtained to provide the best estimated figure for each subsidiary account line on the budget worksheet.
- b. The numbers entered in the subsidiary accounts should be added together and the resulting amount placed in the control account box above these lines. (Example: subsidiary accounts #0501.1 \$1,000 + #0501.2 \$500 + #0501.3 \$50 = control account #0501 \$1,550)
- c. Control accounts do not always include subsidiary accounts. Example: account #0503 Bequests & Donations. Control accounts correspond to specific lines of information that need to be transferred to the individual budget report forms as detailed in the next section.

### **D. Budget Reports**

1. A Budget Report for each Parish operating unit, i.e., Church, Christian Education, Elementary School, High School, Latchkey, and Daycare, is provided, where applicable.

2. The Budget Report has only one column for the input of budgeted numbers for the fiscal year being budgeted. The Budget Report is completed by using the corresponding Budget Worksheet for each unit. **NOTE:** A computerized report listing budgeted vs. actual amounts for each control account and Archdiocesan subsidiary accounts (i.e. LDP accounts/activity) may be used in place of the Budget Worksheet, in determining the next fiscal year's budget amounts.
3. Each account line in the Budget Report corresponds or ties in with the Control Accounts as shown on the Budget Worksheet. Generally, subsidiary accounts that are shown on the Budget Worksheet are not shown on the Budget Report, except those accounts related to activity with the Archdiocese of Detroit.
4. Both the Budget Report and its corresponding Budget Worksheet contains a column titled "LINE" that facilitates the transfer of budgeted amounts from one form to the other. The "LINE" number for a particular control account on the Budget Worksheet for the Church is the same as the "LINE" number for that particular control account on the Budget Report of the Church unit.

## 5. **Completing the Budget Reports**

The Budget Report for each operating unit has two columns. The budget numbers posted to the first column are added together with the total that is derived, subsequently posted to the appropriate line in the second column. In certain instances some numbers in the first column are subtracted, with the difference subsequently posted to the appropriate line in the second column.

NOTE: If the Budget Worksheets are used along with the "linked" Budget Report, no data entry is required in the Budget Report.

### a. **Church Budget Report**

1. Lines 5a, 5b, 5c, and 5d are added together and then Line 5e is subtracted from the total to arrive at the amount for Line 5, Net Fund-Raising Income.
2. Line 7b is subtracted from Line 7a to arrive at the amount for Line 7, Net Rental Income.
3. Lines 9a, 9b and 9c are added together to arrive at the total for Line 9, Total Interest Income.
4. Line 10a, which is the total of expenses listed in Schedule A, is subtracted from Line 10, Miscellaneous Income, to arrive at the amount for Line 11, Net Miscellaneous Income. **NOTE:** If expenses exceed income, the excess should be included in the total for Line 32, account # 5005 Publications & Periodicals

and/or Line 45, account #5116 Worship Programs, whichever is applicable.

5. The amount shown for Unsaid Masses, Line 25, should represent an estimate of all Mass stipends to be received for the fiscal year being budgeted. From this amount should be deducted the estimated amount of stipends earned for Masses that would be said for the year being budgeted, Line 25a. Hence, the amount shown for Unsaid Masses in Line 26 would represent unearned monies for Masses to be said after June 30. Do not also include this amount in Stipends and Offerings, Line 4.
6. The last page of the Church Budget Report is the Church Summary. This is where the totals of each section in the Budget Report body are summarized. The Church Summary line numbers are the same as the line numbers for the total of each section in the Budget Report body. The Church Summary also includes a Church Information section asking for data on the number of registered families, number of registered parishioners, number of envelopes distributed, and number of envelopes used. This section must be completed since the information provided is necessary to complete certain reports prepared by the Archdiocese

b. **Christian Education Budget Report**

1. The information for operating receipts, non-operating receipts, operating expenses, and non-operating expenses should be completed in a manner similar to that of the Church Budget Report.
2. The last page of the Christian Education Budget Report is the Christian Education Summary. This is where the totals of each section in the Budget Report body are summarized. The Christian Education Summary line numbers are the same as the line numbers for the total of each section in the Budget Report body. The Christian Education Summary also includes a section asking for Christian Education data on enrollment and tuition rates. This section must be completed since the information provided is necessary to complete certain reports prepared by the Archdiocese.

c. **Elementary School Budget Report**

1. The information for operating receipts, non-operating receipts, operating expenses, and non-operating expenses should be completed in a manner similar to that of the Church Budget Report.
2. Do not budget any amount for account #0799, Prepaid Tuition, Line 22. Any monies received in the prior fiscal year, should be included in account #0701-Tuition, Line 1, or account #0702 Other School Fees, Line 2, for the current fiscal year.

3. The last page of the Elementary School Budget Report is the Elementary School Summary. This is where the totals of each section in the Budget Report body are summarized. The Elementary School Summary line numbers are the same as the line numbers for the total of each section in the Budget Report body. The Elementary School Summary also includes a section asking for elementary school data on enrollment and tuition rates. This section must be completed since the information provided is necessary to complete certain reports prepared by the Archdiocese.

d. **Daycare & Latchkey Budget Reports**

1. The information for operating receipts, non-operating receipts, operating expenses, and non-operating expenses should be completed in a manner similar to that of the Church Budget Report.
2. The last page of the Daycare or Latchkey Budget Report is the Daycare or Latchkey Summary. This is where the totals of each section in the Budget Report body are summarized. The Summary line numbers are the same as the line numbers for the total of each section in the Budget Report body. The Summary page also includes a section asking for data on enrollment and tuition rates. This section must be completed since the information provided is necessary to complete certain reports prepared by the Archdiocese.
3. The amount showing on line 18 of each Summary form as “Net Increase/Decrease in Cash Balance” should be carried over to the Elementary Summary Page on the line labeled “Net Daycare Profit/(Loss)” and/or “Net Latchkey Profit/(Loss)” and also to the Parish Summary page under the Elementary School column.

e. **High School Budget Report**

1. The information for operating receipts, non-operating receipts, operating expenses, and non-operating expenses should be completed in a manner similar to that of the Church Budget Report.
2. Do not budget any amount for account #0899, Prepaid Tuition, Line 22. Any monies received in the prior fiscal year, should be included in account #0801- Tuition, Line 1, or account #0802 Other School Fees, Line 2, for the current fiscal year.
3. The last page of the High School Budget Report is the High School Summary. This is where the totals of each section in the Budget Report body are summarized. The High School Summary line numbers are the same as the line numbers for the total of each section in the Budget Report body. The High School Summary also includes a section asking for high school data on enrollment and tuition rates. This section must be completed since the

information provided is necessary to complete certain reports prepared by the Archdiocese.

**E. Budget Report Summary**

**1. Page 1 - Parish Information**

- a. Fill in the following information:

Parish Name, Address, Phone, and Pastor's Name.  
Parish Council President Name, Address and Phone Number.  
Name, Phone Number, and Work Time of the Person to be Contacted Regarding Budget Questions.

- b. The Budget Report needs to be signed by both the Pastor and the Parish Finance Council President, in order to be accepted by the Archdiocese. In the event that the latter is not available to sign, the Budget Report should still be sent to the Archdiocese, minus the original Budget Report Summary. A photocopy should be included in its place together with a letter explaining that the original Budget Report Summary will be submitted when duly signed by all persons concerned. NOTE: The Pastor's signature also signifies compliance that the Parish has performed criminal history background checks in accordance with Archdiocesan Policy.

**2. Page 2- Parish Assumptions Used**

The assumptions used by the Parish in arriving at specific budgeted revenue and expense items are to be shown on this page. The budget projections/assumptions sent to the Parish by the Archdiocese are for information purposes only.

If there are significant changes in a receipt or expense item from the prior years and/or going against the 5-year trend for a line item, an explanation for each material fluctuation is to be shown on this page. (e.g. if net rental income increased from zero to \$50,000 in one year, change in staffing, adding or discontinuing a program, change in tuition rates, etc.)

**3. Page 3- Parish Budget Report Summary**

- a. This page summarizes the budget of each operating unit as derived from their respective Budget Report Summary. The line numbers on this page ties in with the line numbers on each operating unit's Budget Report Summary.
- b. Each line should be added across all columns to arrive at the "Total Parish" column.
- c. The line Total Parish Net Increase (Decrease) in Cash Balance should be added to the projected beginning July 1 cash balance to arrive at the projected ending cash balance

at the end of the budgeted fiscal year.

- d. The Parish subsidy to the schools should be calculated as follows:

School Profit/(Loss)

Plus School Net Fundraising

Plus Transfers from School Savings

Minus Withdrawals from School Savings

Minus Prepaid Tuition

Difference

Difference divided by the amount of church total operating receipts (line 12)

multiplied by 100%

The result would be the percentage of Parish subsidy to the school.

**NOTE:** The percentage subsidy must not exceed 40% for one school and 55% for two schools.

- e. If total capital expenditures are projected to exceed \$25,000, a Budgeted Expenditures Form must be completed and included with the budget submitted to the Archdiocese with the budget.

#### **4. Balanced Budget**

**The Parish/School must make every attempt at balancing their budget, including reducing all possible expenditures and/or using funds from their checking and/or LDP savings to reduce/cover the deficit, before submitting it to the Archdiocese. If every possible attempt has been made, and the budget is still not balanced, the Parish should submit the deficit budget. After the Archdiocese reviews the budget, they will send a letter to the Parish stating that the budget cannot be approved, but will be accepted as a realistic projection and will require the Parish to contact Parish Support Services.**