



Finance

DIOCESE OF SACRAMENTO

2110 Broadway · Sacramento, California 95818 · 916/733-0277 · Fax 916/733-0295

March 2, 2021

Dear Pastors, Parochial Administrators, Parish Stewards, Parish Finance Council Members, School Principals and Bookkeepers:

As you begin preparation of your parish and parish school budgets for the 2021/2022 fiscal year, please consider the following guidelines/assumptions:

| Expenditure Category | 2021/2022 Guideline/Assumption |
|--|--|
| Teachers and Principals Salaries | Catholic School Department to provide salary schedule |
| Lay Salaries (Non-teaching school staff) | No salary increase |
| Lay Employee Pension Plan contribution rate | 8.5% of gross payroll |
| Lay Employee Health Premiums | Assume -2% decrease and no credits |
| Minimum Wage increase | Effective 1/1/22 – increases to \$15.00 per hour Exempt salary min. increases to \$62,400 per year |
| Priests Salaries | No salary increase, and no years-of-service step increase |
| Priests Pension Plan contribution rate | 07/1/21 - 6/30/22... \$11,599 per year |
| Priests Health Premiums | Assume -2% decrease = \$1,196/month (\$14,371/year) |
| Property Insurance (1) | Assume 6.0% increase |
| Liability Insurance (2) | Assume 7.0% increase |
| Auto Insurance | Assume 2.5% increase |
| Workers Compensation Insurance Rate | Estimate at ... Parishes @ 3.7% of gross payroll Schools @ 2.0% of gross payroll |
| Unemployment Insurance Rate | Estimate at 1.1% of gross payroll |

- (1) Property premiums may also be impacted by additions or deletions of parish properties as well as new appraisals.
 (2) Liability premiums may also be impacted by additions or deletions of parish properties, new appraisals, and increases or decreases in payroll.

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The above noted guidelines are based upon the best information available at this time. We will inform you of any significant changes as they arise.

It is always prudent to budget conservatively. Avoid assuming unproven increases in offertory revenues, tuition or fundraising revenues in order to balance the budget. It is better to be surprised by a better than projected financial outcome, rather than be forced to react to an unplanned shortfall.

The Parish Finance Council should play a key role in the development of the parish budget, including the parish school budget, if applicable. The Council should plan to meet more often during this first half of 2021, even monthly. An initial meeting should be held to review year-to-date results versus the current year's budget; to hear from the Pastor or Parochial Administrator regarding pastoral considerations for the coming fiscal year; and to discuss the general approach and assumptions to be used in preparing the initial draft of the 2021/2022 fiscal year budgets for both the parish and parish school.

Subsequent meetings should include a review of the successive draft budgets. It should be expected that the Council will need to review two-to-three budget drafts before a final budget is recommended for the Pastor or Parochial Administrator's approval. A final recommended budget for parishes should be presented to the Pastor or Parochial Administrator by the end of **May 2021**. A final recommended budget for the parish school, if applicable, should be presented to the Pastor or Parochial Administrator via the Parish Finance Council, no later than **May 2021** or earlier if required.

Thank you for your continued stewardship of parish resources. If you have any questions regarding these assumptions, please call me or Dan Pollard at 916-733-0277.

With kind regards, I am

Sincerely yours in Christ,

Thomas J. McNamara
Chief Financial Officer

Copy: Rev. Christopher R. Frazer, Vicar General