

How Parish and Archdiocesan Finances Work

What happens to your donation after it goes in the basket?

Immediately after the collection, the ushers deposit your donations into one large basket that is brought forward and placed under the Altar. It also represents your personal intentions being offered with Our Lord to God at that Mass.

After Mass, two ushers place it in a vault similar to a night deposit drop at your bank. The collection is always in the hands of at least two people for safety and accountability. The counters and our Business Manager open the vault after the masses to be counted and recorded.

The collection is counted by volunteers and deposited in our local bank. Checks are copied and all empty envelopes are given to our bookkeeper to enter in the parish data system so that you get credit for your gift. You can always call the office to check your records for accuracy.

ORDINARY INCOME: Parishes also receive many other kinds of donations besides the collection, such as gifts for weddings, funerals, baptisms, and other events. With the Sunday collection, these gifts make up our *Ordinary Income*. This pays for all our operating costs such as lighting, heating, air-conditioning, repairs, salaries, taxes, insurance, and many other general expenses.

RESTRICTED INCOME: Parishes also receive gifts for specific requests, like gifts to our school or our new parish hall. These gifts are *Restricted Income*, and can **only** be used for the purpose for which donors give them. They are in separate accounts from *Ordinary Income*. The white **Building Fund** envelopes designated for general parish improvements, and the Hall envelopes coming soon are also both *Restricted Incomes*.

Parishioners can donate using these envelopes or cash in the Sunday collection baskets, or also mailing them to our office, or by using the new electronic deposit machine in the vestibule. The machine also allows you to specify how your gift is to be used.

The Archdiocese requires every parish to submit an annual financial report that details Ordinary Income, Restricted Income, and parish expenses that occur in the July to June fiscal year. Every parish also has a Finance Council that reviews the financial reports. Every few years, the Archdiocese conducts a parish or school audit.

The Archdiocese also operates an Investment Pool to help increase revenue for parishes that deposit parish funds there. The Investment Pool is like a mutual fund that invests in stocks, bonds, and other financial instruments to earn money for those parishes that invest in it. Each parish is encouraged to deposit surplus funds in the pool. It is very well managed with much professional oversight and has had an excellent rate of return over many years. Obviously, its revenue matches market ups and downs. The entire pool is divided among ten professional investment management companies which are themselves overseen by another consulting company (*Callan and Associates*).

A separate Investment Committee sets general guidelines for the fund (*e.g. long term goals, asset allocation, ethical investing, etc.*). The whole system is once again overseen by an Archdiocesan Finance Council led by some of the leading financial figures in Los Angeles. All parishes receive investment income based on the total return of the pool to their share of the investment. Money that parishes deposit always remains with the parish and cannot be transferred to other Archdiocesan accounts.

The Archdiocese operates a central office at 3424 Wilshire Blvd in Los Angeles. However, the mission of the Catholic Church is carried out at

the local level; at almost 300 parishes, 7 Colleges, 51 High Schools, 18 Hospitals, 25 Retreat Centers, many special programs, cemeteries, mortuaries, and the massive Catholic Charities programs for the poor. The Archdiocesan office supports all these programs with supervision, guidelines, and professional resources.

The Archdiocese assesses every parish 10% of its **Ordinary Income** each year in monthly bills to pay for these supervision programs but mainly gets its revenue from its own contributions to the Investment Pool.

However, The Archdiocese can never assess any parish's **Restricted Income**, or those donations that are given for a specific purpose, like gifts for the new Hall, Building Fund, or parish school. These designated donations by law must only go to the cause for which the donor gives.

Our Cathedral was privately funded and none of the 10% parish assessments were used to build it.

Each Diocese is also independent of all others in personnel policies, legal liability, and financial organization. Any large institution like an Archdiocese will be the target of lawsuits. However, cases are often settled out of court, usually at the request and full agreement of both parties. Such liabilities are often covered by insurance.

The Archdiocese cannot use parish funds or any restricted Income or designated gifts for these settlements. It may use income from its own account in the investment pool.

Special Collections: These are for various needs such as foreign missions or disaster relief and are collected in specific envelopes during the year. They are also restricted gifts and can only go to the cause for which they are given. Parishes keep these collections in their bank for a month for late envelopes and then send a final check to the Archdiocese, which then sends it to the charity.

Together in Mission is a special collection just for the poorest parishes and schools in our Archdiocese. All parishes are assessed 10% of their Ordinary Income as a goal for this cause. These gifts are also restricted and *must be used only for*

the purpose of helping our poorest parishes and schools. You can see a list of disbursements in the annual report in the Angelus Magazine, which will be in the church when published. If we donate over our 10% assessment, we receive that amount back as a rebate.

PARISH SCHOOLS are funded by tuition, their own fundraisers, and from parish and parishioner donations. Schools have their own bookkeeper and operate under formal guidelines from the Department of Catholic Schools.

PARISH MINISTRIES also raise money during the year in fundraisers for their activities. These are held in separate accounts from the parish.

CALL TO RENEW is a new five year improvement program for every parish in the Archdiocese. Our goal is to build a much needed new Parish Hall for school sports, parish meetings, receptions, banquets, and concerts. This is a six million dollar project. Raising a little over 50% in cash enables us to secure an Archdiocesan loan to build the Hall right away, and then use the Hall itself for further fundraising. This is a new joint program with our Archdiocese that provides many helpful construction supervision and planning services for us, so about 10% of the total raised will be our gift to support their efforts for vocations to the priesthood, new evangelization programs, and help our poorest parishes. Our parishioners can make their gifts payable over a five year period.

I hope you have found this information helpful!

Please feel free to contact me with any questions about our parish or Archdiocesan finances.

God bless!



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