

The seal of the Diocese of Pensacola-Tallahassee is a shield-shaped emblem. At the top is a cross with four arms, each ending in a flame-like shape. Below the cross is a blue diamond. The shield is divided into four quadrants by a large 'X' shape. In the center of the 'X' is a small house with a chimney. In each of the four quadrants is a rooster. The shield is surrounded by a decorative border.

The Diocese of Pensacola-Tallahassee Assessable Income Policy

2023

Annual Assessment & Annual Appeal

Canon law (c.1263) allows a Bishop to have an assessment to fund the operations of the Pastoral Center. The Pastoral Center assesses Adjusted Income (see “Assessable Income and Calculation Methodology”) at a rate of each parish’s income. The Pastoral Center aims to assess an average of 10% of the Offertory to fund the diocesan curia including the Bishop’s Office, Vicar General, Chancellor, Tribunal, Financial Officer and other essential diocesan needs. The 10% assessment is calculated by the parish based on their previous fiscal year. It is then reviewed by the Pastoral Center’s financial management staff, so that it may be received between the months of September-June.

Each parish is also part of the Catholic Sharing Appeal. The CSA underwrites diocesan-wide ministries, catholic education, a portion of priest benefits, and charitable efforts of the Diocese. Each parish’s contribution towards the appeal is based on adjusted income. Each parish has a goal of an average 10% of its Offertory.

In short, the Pastoral Center aims to assess an average of 20% of the Offertory annually, which compares favorably to other dioceses. In the following pages, I present what constitutes Assessable Income and the methodology to calculate the adjusted assessable income (this will allow you to perform some tax/assessment planning). For simplicity, this document is not all-inclusive but presents the usual cases and common transactions. Diocesan pastors debated and voted on the current framework as the most pastoral way to fund the Pastoral Center’s operations.

I invite you and your financial management team to estimate your assessment early so you incorporate a good estimate in your budget. Closing your books timely, hopefully within a week of the end of the month, will allow you to make decisions with fresh information. Access to the electronic bank statement may facilitate a prompt closing.

Thank you for all you do in your parish and for fulfilling the Diocese’s evangelization mission.

Blessings,



Ed Largaespada

Chief Financial Officer

Diocese of Pensacola-Tallahassee

Assessable vs. Non-Assessable Income

Assessable:

All income is assessable unless otherwise stated as non-assessable. Some examples of assessable income are:

- Donations:
 - Donations received by the parish, even if restricted or designated for a specific purpose or project.
 - Donations given by parishioners to underwrite the costs of events such as luncheons and breakfasts.
 - Donations given by speakers/business who use parochial facilities

Non- Assessable:

- Approved capital campaign income collected during the 36 consecutive month period selected by the parish.
- Income authorized for exemption by the Bishop.
- Religious Education Fees, Diocesan and Other Subsidies, Candles and Flowers Expenses, Cemetery Expenses. Religious Education to prepare to receive Sacraments.
- Faith Formation fees.
- Marriage preparation fees.
- Diocesan subsidies.
- Subsidies from other parishes.
- Subsidies from the Knight of Columbus.
- Donations for flowers and candles used during mass.
- Donations for religious books/pamphlets available at the church as long as material is made available free of charge to parishioners.
- Other Non-Assessable:
 - Insurance claim payments received.
 - Continuing Religious Education - parish ministries whose primary purpose is to teach the catechism of the Catholic Church. Funds raised are mainly used to buy study materials and food for the group during the study.
 - Weekend retreat fees to evangelize and educate adults
 - Respect Life ministry/ Project Rachel/ Magella House

Assessable Income and Calculation Methodology

Assessable Income Calculation

- Gross Income minus the following:
 - Insurance Claim Payments (Acct #40015)
 - Approved Building Fund (Acct #43210)*
 - Poor Box (Acct #43213, deduction may not exceed amount in Acct #54400 Outreach & Social Justice)
 - Diocesan Subsidy (Acct #43214)
 - Other Subsidies (Acct #43215)
 - Programs & Activities Income (Acct #43218, deduction may not exceed amount in Acct #54101 Programs & Activities Expense)
 - STV Rebate (Acct #43236)
 - Grants (Acct #43620)
 - Subsidy Parish/Mission (Acct #43621)
 - Restricted Donations (Acct #43616)**
 - CSA under goal (Acct #54322)
 - School/Tuition Subsidy (Acct #54382, **not to exceed 25% of Offertory**)
 - Other Subsidies (Acct #54403)
- Equals Adjusted Net Assessable Income
- (E.g. Gross Income – Grants = Adjusted Net Assessable Income)

***Approved Building Fund** - Must have project approved by Diocesan Building Commission in order to be deductible. Collections prior to commencement of construction must be deposited in a designated building fund D&L account. Construction must commence within three years of project approval. If the project does not commence within the three-year period the amount collected will become subject to assessment. Pledges redeemed up to twenty-four months after completion will be exempt from assessment as long as they are used for debt service related to the project.

****Restricted Donations** - Major or planned gifts specifically designated by the donor in writing. To be deductible the donation may not be used for parish operating expenses, documentation indicating donor intent must be provided and the funds deposited in a restricted account either in the diocesan D&L, donor directed brokerage/trust account or the Catholic Foundation of Northwest Florida. Income utilized from all restricted gifts is assessable with the exception of the above income deductions.

Debt Reduction Campaign - *Parishes are encouraged to plan ahead and take advantage of assessment relief through the approved building fund process which saves on interest expense. However, if a parish wishes to conduct a debt reduction campaign at a later date, any amounts collected in a given year that are over the scheduled debt service for the fiscal year would be exempt. This would only be available if the parish Offertory exceeded operating expenses for the fiscal year and all amounts raised from the campaign are applied to the loan balance.*

Major Asset Sales - The sale of land/buildings. Sales of assets that were acquired 100% with parish funds would not be subject to assessment if all funds are used to pay down existing loans in the Diocesan Deposit & Loan. If there are any excess funds, or the Parish does not have any outstanding the loans, the following options are available:

- Establish endowment within the Catholic Foundation of Northwest Florida. Amount not subject to assessment.
- Deposit funds in Hurricane Deductible savings account. Amount not subject to assessment if deductible amount not met.

For major asset sales which the Diocese purchased the asset and then transferred it to the Parish, the proceeds will be split 50/50 with no additional assessment.

Graduated Assessment Calculation

Assessable Income	Applicable Rate
Between Zero and \$49,999	10%
Between \$50,000 and \$749,999	\$5000, plus 20% over \$50,000
Over \$750,000	\$145,000 plus 25% over \$750,000

The assessment is divided equally into two parts. The first part consists of the direct assessment and is payable within a ten-month period September through June. The second part becomes the parish CSA goal, and becomes payable when the new CSA year begins in January.

Under the new assessment calculation, the diocesan net Current Fund budget is severed from the assessment process. If the assessment generated exceeds the net current fund budget in any given year, the surplus would be directed to a reserve account. In years where the Graduated Rate Assessment generates an amount in excess of 105% of the Diocesan Current Fund Budget, a pro-rata credit would be applied to Parishes with Net Assessable Income in excess of \$750,000. If the assessment is less, the diocesan offices may either reduce expenditures, use funds from the reserve account, or a combination thereof. The rates could be reset every 2-3 years.

DIOCESE OF PENSACOLA-TALLAHASSEE
ASSESSMENT CALCULATION METHODOLOGY
Methology updated: 1/2023

Assessable Income Calculation		Account:	Current Year	Previous Year
Gross Income:	Total			
Insurance Claim Payments	40015			
Approved Building Fund	43210			
Poor Box	43213			
Diocesan Subsidy	43214			
Other Subsidies	43215			
Program & Activities Income	43218			
STV Rebate	43236			
Restricted Donations	43616			
Grants	43620			
Subsidy Parish/Mission	43621			
Program/Activity Expenses	54101			
CSA Under Goal	54322			
School / Tuition Subsidy	54382			
Outreach & Social Justice	54400			
Other Charitable Donations	54401			
Other Subsidies	54403			
Adjusted Net Assessable Income			-	-
10% < \$50k			-	-
20% > \$50k < \$750k			-	-
25% > \$750k			-	-
Total Assessment			-	-

(*) This is an excel template that can be requested from the Pastoral Center's Accounting Office.
This Template should be also used to estimate your Assessment for Budget purposes and Tax/Assessment Planning.

Pastor

Finance Mgr or Similar