Budget Preparation Financial Data for Schools
Fiscal Year 2021–2022

DUE DATES:

- Preliminary Budget: May 1st
- Final Budget: September 15th

INTRODUCTION:
The following information is to assist you in the budget preparation process for fiscal year 2021-2022. All submitted budgets must be signed by the Principal, Pastor and the local school board finance chairperson either using a signature page or on copy of the financials.

BUDGET SUBMISSION PROCESS FOR SCHOOLS:
Schools should use the information below as starting assumptions for their budget. Deficit budgets (those where expenses exceed revenues) may not be accepted by the Diocese. Schools that foresee any significant financial difficulty must notify the Superintendent of Catholic Schools and the Finance Office as soon as possible.

Schools are to prepare budgets directly in ParishSoft Accounting or through a worksheet that can later be entered in ParishSoft Accounting. Please see instructions from ParishSoft outlining budget entry steps located on diocesan extranet here.

To notify diocese that the budget is ready for review, please email the completed Budget Sign Off form to the Finance Office (finance@richmonddiocese.org) by deadline.

Please copy the Principal on the email and retain the original at the school. A copy of the form can be found on diocesan extranet here. Once the budget has been reviewed by the diocese, it will be locked in ParishSoft Accounting.

Supplemental Schedules:
All worksheets in the budget Excel workbook file must be completed and agree to budgeted totals. Schools who do not provide all required worksheets along with their budget submissions will not be reviewed until all items are provided. Please be cognizant of the required items as not submitting required supplement schedules that agree to the budget required will cause unnecessary delays in the budget process.
Keep all the worksheets in one Excel file. If you have any questions about the worksheets do not hesitate to contact the Finance Office for assistance. A copy of the worksheet can be downloaded [here](#).

**TUITION & ENROLLMENT:**

**Preliminary Budget:** May 1st

Please provide a copy of the upcoming year’s tuition contract and fee schedule(s).

Tuition revenue must be budgeted based on enrollment estimations on the enrollment grid by grade. **Schools must include a copy of the enrollment grid by grade with their preliminary budget submissions.**

**Final Budget:** September 15th

Tuition revenue must be based on actual first day enrollment. Please provide a copy of your (a.) enrollment grid and (b.) tuition revenue grid worksheet (# of students * tuition rates) using both the tuition revenue grid template in the sample Excel file.

The tuition revenue grid must demonstrate the correct net pay amounts (amounts received from parents) and must agree to the proposed budget for the funded revenue sources (net pay and all funded financial aid). Please do not delete or change formulas in the worksheet. Budgeted amounts reflected in the Tuition and Financial Aid- Funded section must agree to the final tuition revenue grid. Any budget that does not agree to the grid will be returned for correction.

**THIRD SOURCE & DEVELOPMENT INCOME:**

Schools should not budget for more than 110% of the previous year’s actual third source and development income (projected for preliminary budget purposes). If schools budget more than an 10% increase in these areas, please attach a verifiable and achievable plan.

**BUDGET ASSUMPTIONS:**

**COMPENSATION:**

Based on the national and regional benchmarking for corporate and nonprofit wages, the diocese would recommend a 2.0% wage increase per the following:

- 2.0% increase for exempt and nonexempt lay employees
  - 12-month religious on stipend are increased 2.0% from $31,237 up to $31,862
  - 10-month religious on stipend are increased 2.0% from $28,260 up to $28,825

- Increase for principals and teachers issued in separate document(s) provided by the Office of Catholic Schools
Note: However, given the current financial environment, locations may consider a wage increase from 0% to 2.0% depending on the location budget. Please contact Dot Mahanes, Human Resources Officer, dmahanes@richmonddiocese.org should you wish to review your staff’s compensation.

**FICA TAXES (SOCIAL SECURITY TAXES):**
FICA taxes should be budgeted at 7.65% of gross compensation for lay employees only.

**GROUP HEALTH PLAN (MEDICAL, DENTAL):**
As a reminder, our current rates continue through December 2021 and the new plan year begins January 1, 2022. Although the renewal process has not started, our benefits consultants are estimating an overall rate increase of 4% on both health and dental premiums for 2022. New insurance rates are effective January 1, 2022 and rates will be issued by the Office of Human Resources during the open enrollment period beginning in October 2021.

Insurance premiums will continue to be recorded in Kronos and drafted from your location’s bank account with your other payroll liabilities. If you have a multi-location employee, please remember that benefits are allocated between locations in the Kronos payroll system and schools should budget for these benefits accordingly.

**RETIREMENT CONTRIBUTIONS:**

**Lay Pension Plan:** Based on the recommendation of our actuary, the lay pension plan contribution will continue to be 7% of eligible employees’ gross wages. These expenses are recorded in Kronos and drafted from your location’s bank account with your other payroll liabilities.

**Religious Employees:** Religious employees have been made eligible for retirement benefits under a strict set of rules established by the Diocesan Finance Council:

A. For religious employees on salary, each employing location will forward directly to the religious community seven percent (7%) of the annual salary. Payments should be made semi-annually.

B. For full-time religious employees on stipend, each employing location will forward $832 semi-annually to the religious community ($1,664 annually).

C. The check will be payable only to the retirement account of the religious community.

D. Payment must be to the religious order and not to any individual employee.

**Lay 403(b) Plan Employer Match:** Employees working 20 or more hours a week are automatically enrolled in the 403(b) Plan at a 4% deferral rate and are also eligible for the matching employer contribution unless they opt out. Employers will match 50% of an employee’s contribution up to 4% of the eligible employee’s compensation. Each parish should budget 2% of gross wages for eligible employees for the employer match.
Employees working less than 20 hours a week are not automatically enrolled; however, they are eligible to participate in the 403(b) with their personal contributions. There is no additional amount to be budgeted for this classification of employees as they are not eligible to receive the employer match.

**EMPLOYER PAID EMPLOYEE BENEFITS ASSESSMENT (DISABILITY INCOME INSURANCE, LIFE INSURANCE, AD&D, AND EAP ASSESSMENT):**
The Employer Paid Employee Benefits Assessment includes the cost of employee benefits that are fully paid by the employer. This includes short-term and long-term disability insurance, basis life insurance, accidental death and dismemberment insurance, and the Employee Assistance Program. For FY22, the cost will remain at $0.53 per $100 of gross wages for employees working 20 or more hours per week.

These expenses will continue to be recorded in Kronos and drafted from your location’s bank account with your other payroll liabilities.

**WORKER’S COMPENSATION INSURANCE:**
Worker’s compensation insurance will be charged at a rate of 0.68% of gross salaries for FY22, which is a 3% increase from FY21 rates. Worker’s compensation premiums will continue to be recorded in Kronos based on actual wages and will be drafted from your location’s bank account with your other payroll liabilities.

**DIOCESAN UNEMPLOYMENT INSURANCE FUND (DUIF):**
All employing locations pay 0.1% of gross salary expense to the DUIF to pay for unemployment claims incurred. The location is not billed for actual unemployment claims incurred. The DUIF expense will continue to be recorded in Kronos based on actual wages paid and will be drafted from your location’s bank account with your other payroll liabilities.

**KRONOS PAYROLL FEES:**
For FY22 budget purposes, each employing location should budget $6.75 per employee per pay period for payroll processing costs, which represents a 3.85% increase from FY21. These expenses will continue to be recorded in Kronos and drafted from your location’s bank account with your other payroll liabilities.

**COST OF SCREENING EMPLOYEES AND VOLUNTEERS:**
The Diocese of Richmond requires that all employees and most volunteers in the Diocese to be screened through various background agencies. The details of the mandate are in the Diocesan Safe Environment Regulations. The regulations and “Background Information” can be found on the diocesan website (www.richmonddiocese.org) and then by clicking on Diocese of Richmond’s Child Protection/ Safe Environment Training (VIRTUS). Additional background check information can be found by clicking Human Resource on the Employee Extranet.

1. **Screening One Employee** includes a social security number verification, state, national and federal searches.
2. **ScreeningOne Volunteer** includes a national search. ***Due to legal requirements, an additional county search may take place if a record is found on the national search. This volunteer background check is integrated into the VIRTUS system.

3. Religious Exempt and Licensed Preschool/ Day Care/ Before After Care Employees: Per new state regulations, employees in these settings must be screened using the Fieldprint vendor. Please note, starting October 1, 2020 the Department of Social Services will no longer cover the cost of fingerprint based criminal history searches (Fieldprint) for those individuals in child day programs who are required to be fingerprinted. In addition, new employees must complete the Virginia Department of Social Services check. If the new employee has lived outside Virginia in the last 5 years, a check of Child Abuse registry in each state resided is required. These requirements apply only to Religious Exempt and Licensed Daycare/Pre-schools/ Before and After Care programs.

For budgeting purposes, the following should be used as a guide. Please note that there are changes for the 2021-2022 year.

**SCHOOL EMPLOYEES**

**Employees** - excluding Preschool/ Daycare/ Before and After Care)

- **Point of Hire**
  - FBI & VSP Fingerprint - $27.00
  - Virginia Child Protective Services - $10.00
  - **Total: $37.00**

**Re-Screen (every 5 years)** - excluding Preschool/ Daycare/ Before and After Care

- **ScreeningOne Employee** - $19.25
  - Virginia Child Protective Services - $10.00
  - **Total: $29.25**

**Preschool/ Daycare/ Before and After Care Employees**

- [https://www.dss.virginia.gov/family/children_background.cgi](https://www.dss.virginia.gov/family/children_background.cgi)
  - Fieldprint - $57.00
  - Virginia Child Protective Services - $10.00
  - **Total: $67.00**
  - *If lived outside Virginia in the last 5 years, check Child Abuse Registry of states resided – Cost TBD`

**VOLUNTEERS**

- **ScreeningOne Employee** - $3.75
  - Due to legal requirements, an additional charge of $10.50 may be incurred for each county search that is completed to verify a possible record found on the National Database.
Re-Screen, every 5 years, same screenings/ costs, $3.75
  • Due to legal requirements, an additional charge of $10.50 may be incurred for each country search that is completed to verify a possible record found on the National Database.

Please consider those employees and volunteers who will be rescreened during the 2021-22 fiscal year and adjust your budget accordingly.

SELF-INSURANCE ASSESSMENTS (PROPERTY, GENERAL LIABILITY, AND VEHICLE):
Catholic Mutual Group, through our Director of Risk Management, assists with determining assessment amounts each year. Based on data currently available, estimate an 4% increase over the current assessment.

MILEAGE REIMBURSEMENT:
The IRS has published its mileage rate for reimbursement of an employee utilizing a personal vehicle for business use as $0.56 per mile beginning on January 1, 2021.

PARISHSOFT GENERAL LEDGER:
For budget purposes, the following annual license fee is charged for use of web based ParishSoft accounting and census program. Rates are being increased by 3% compared to the FY21 rates and will be billed monthly.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Annual Ledger Fees</td>
<td>$ 1,446.00</td>
</tr>
<tr>
<td>Monthly</td>
<td>$ 120.50</td>
</tr>
</tbody>
</table>

SUPPORTING RESOURCES:

PAY CHARTS:
The following documents can be obtained through the Employee Extranet, under Human Resources, then Compensation Resources:

- Job Classifications, Pay Grades and Ranges for Lay Ministers and Administrators, Support Staff, and teachers/faculty
- Pay Grades and Ranges for Support Staff and Administrators/Ministers have been increased 2% based on benchmarking.

Note: If an employee’s current pay is over the “maximum range point” of their designated job grade, no increase is required for this individual.

COMPENSATION REFERENCES FOR LAY EMPLOYEES:
On September 24, 2019, the U.S. Department of Labor (DOL) issued a Fair Labor Standards Act’s (FLSA) overtime rule effective January 1, 2020. In the final rule the Department raised the “standard salary level” from $455 per week to $684 per week (equivalent to $35,568 per year). Employees earning less
than this must be classified as non-exempt workers and are entitled to overtime pay for hours worked over 40 per week. (Cf. https://www.dol.gov/whd/overtime2019/index.htm)
The following documents can be obtained through the Employee Extranet, under Human Resources:

- Nonexempt vs. exempt employment status per the Fair Labor Standards Act (FLSA), located in Called to Work in Harmony (Employee Extranet) and the Compensation System Manual.
- An “exempt employee” is exempt from the overtime and recordkeeping provisions of the FLSA.
- In addition to the salary test, the employee must perform job duties that qualify for one of the duties tests exemptions from the overtime pay requirements in the FLSA.

**CAPITAL REPLACEMENT FUND:**
All schools must budget **2% of revenues** to be set aside in a Capital Replacement Fund.

Parish schools, in lieu of setting aside this 2%, may have an agreement with the parish whereby responsibility for capital improvement contingency rests with the parish. A copy of this agreement must be submitted to the Finance Office with the preliminary budget each year.