

## **“NET ASSESSABLE REVENUE” GUIDELINES**

**Please read over these guidelines before filling out the “Calculation of Net Assessable Revenue.”** These were put together to try to clear up some inconsistencies that arise when going through the parish financial reports. **It is important that we be able to tie the figures that are claimed as deductions to the reports.**

**TOTAL REVENUE Unrestricted Fund—All parish revenue is to be reported; no netting revenue in expense accounts.**

### **EXEMPTIONS --**

- A. **Exempted Revenue** - This means the Bishop-approved Capital Campaign dollars collected for the project in the current fiscal year. A parish can exempt the dollars physically collected during the fiscal year and only up to the payoff amount.
- B. **School Subsidies** – Only the amount that the parish directly subsidizes schools.
- C. **Religious Education** – Only expenses directly related to Religious Ed (CCD) Program. Provide a listing of the accounts and figures that make up what is being claimed by the parish if it is not clear on the report. Make sure it ties back to the revenue & expense statement. Youth Ministry and Adult Religious education expenses, utilities, equipment & other building costs are NOT deductible.
- D. **Fundraising Expenses** – Expenses are allowed to be deducted up to the amount of fundraising income which is to be reported in total revenue.
- E. **Special Collections Sent to the Diocese** –These are collections that are taken throughout the year and sent to the Diocese (Examples: Peter’s Pence, Campaign for Human Development, Seminary, etc.). Most parishes use the Custodial method of booking (collection is recorded as a liability) so no exemption is allowed. This is the preferred (recommended) method. However, if a parish has booked these collections to a revenue account and it is **included in their total revenue**, this deduction can be taken. (Please change to Custodial method in next fiscal year.)
- F. **Bequest revenue** can only be deducted when the parish has prepaid the assessment on the funds **at the time the funds were received**.
- G. **Subsidies to/from other parishes in the Diocese** –Represent a deduction that can be taken for contributions paid to/received from other parishes in our Diocese. This deduction cannot be funds that are reimbursement in nature.
- H. **Unrealized Gain/Loss on Endowment**- If this investment income/loss is included in total revenue it can be deducted here. Unrealized gains increase total deductions while unrealized losses decrease total deductions.
- I. **Miscellaneous adjustments** for such things as Mass Stipends, Cemetery, Insurance Recovery, some charitable donations (see Charitable Exemption Policy), Grants (if grant application is filed) and Endowment Unrealized Gains/Losses, **IF reported in the total revenue**, may be deducted. Please make sure it is clear on the report which income and expense accounts they are posted in.

Every effort is made to be fair and consistent with all parishes when figuring the “Net Assessable Revenue.” Please do your best to make it clear what is being submitted for consideration. Call Jessica Johnson in the Finance if you have any questions when filling out this report. Your help is greatly appreciated.