

# Diocese of Phoenix – Bishop’s Assessment Policy

## Policy statement

In accordance with Canon 1263 of the Code of Canon Law, a tax (Bishop’s Assessment) will be paid by the parishes and missions of the Diocese of Phoenix for the support of the needs of the local church. The amount of the Bishop’s Assessment will be proportional to the income of each parish. The assessment rates, definition of assessable revenue and available assessment “credits” are contained in the “Related Policy Information” attached to this “Policy Statement” and are subject to periodic update by the Bishop.

## Related policy information

1. **Bishop’s Assessment Rates** are as follows:
  - a. 6% of the first \$100,000 of ordinary income
  - b. 10% of ordinary income greater than 100,000 and up to \$400,000
  - c. 12% of ordinary income greater than \$400,000 and up to \$700,000
  - d. 15% of ordinary income greater than \$700,000 and up to \$1,000,000
  - e. 18% of ordinary income greater than \$1,000,000
2. **Ordinary income** is generally defined as revenue received for the general operation of the parish and includes:
  - a. Plate/Offertory collections and other contributions
  - b. Sales (i.e. Gift shop gross proceeds less cost of goods sold)
  - c. Interest & Investment Income (excluding income on restricted contributions).
  - d. Bequests (unrestricted)
  - e. All other income not specifically excluded below
3. **Excluded income**
  - a. Restricted Contributions & Bequests (see policy regarding restricted contributions)
  - b. Parochial school income (including tuition)
  - c. Participation fees for religious education programs
4. **Accountability for Use of Proceeds** – The Finance Office of the Diocese of Phoenix will provide an annual report to parishes on the use of funds generated by the Bishop’s Assessment.
5. **Parochial School Credit** - A “credit” of \$75,000 will be applied against the assessment liability of parishes with full (k-8) parochial schools. Parishes with less than a full-size school may apply to the Finance Office of the Diocese for a pro-rata “credit.” Pre-k and daycare programs are not eligible.
6. **PAA Assessment** - In addition to the Bishop’s Assessment, parishes and missions will pay an assessment of 1% of ordinary income to fund the Priests’ Assurance Association (retirement plan for diocesan priests). Parishes officially entrusted to a religious order do not pay this assessment to the PAA but will contribute to the retirement program of the religious order.
7. **Calculation & Payment** - The annual assessment is calculated based on the annual financial report to the Bishop’s Office due July 31 of each year. The full amount of the assessment is due and payable on July 31. However, in case of need, the parish may request that the Finance Office of the Diocese bill the parish for any unpaid balance in ten equal installments beginning September 1. Parishes that do not have a grave need to make their assessment payments in installments are encouraged to pay the total on July 31.
8. **Late Fees** will be charged as follows for reports that are received more than 15 days late by the Diocesan Finance Office:

a. After August 15	\$500
b. After August 31	\$1,000
c. After September 15	\$1,500

Parish staff should contact the Parish Finance Liaison if circumstances render the timely submission of the annual report difficult.
9. **Implementation** – This policy will go into effect July 1, 2007. That will mean that the assessment due July 31, 2007 (based on revenues for the Fiscal Year ending June 30, 2007) will be calculated/implemented using this policy.