



DIOCESE OF AUSTIN

FINANCES AND INSURANCE



DIOCESE OF AUSTIN

Policy on Cathedraticum and Diocesan Finances

Effective July 1, 2003

In order to serve the needs of the people of God in the Diocese of Austin and to be responsible stewards of the gifts given to the diocese, the Diocese of Austin issues the following policy:

- I. All parishes shall pay cathedraticum.
- II. Cathedraticum is calculated and assessed on accessible income at the rate of 9% for parishes with schools and at 10% for parishes without a school.
- III. Cathedraticum Percentages and Computation Method.

Cathedraticum for the each fiscal year is to be based on parish financial statement from the most recent calendar year (January 1 through December 31). The calculation will as follows:

Annual Assessable Income ¹	\$\$\$\$\$\$\$\$
Less:	
Interest Expense	-\$\$\$\$\$\$\$
School Subsidy	-\$\$\$\$\$\$\$
Other approved Deductions	<u>-\$\$\$\$\$\$\$</u>
Assessable Amount	\$\$\$\$\$\$\$\$
Assessment Rate (either 9% or 10%)	<u>\$\$\$\$\$\$\$\$</u>
Cathedraticum	\$\$\$\$\$\$\$\$

¹ Assessable Income will not include assessable contributions made to approved capital campaigns. Assessable capital campaign contributions will be assessed at the assessment rate in the year collected and will be paid separately by check quarterly to the diocese. Capital campaign contributions are not included in computing annual cathedraticum. Parish should insure that capital campaign amounts are recorded correctly on the quarterly financial report.

- IV. The diocesan Finance Office will bill each parish their annual cathedraticum assessment on July 1 each year.
 - A. Payments will be made via Automated Clearing House (ACH) each month on or about the 21.
 - B. Parishes must obtain approval from the Chief Financial Officer, if other payment arrangements are required.
 - C. Monthly statements will be sent for cathedraticum similar to the ones sent for other billings (pension, property/liability insurance, etc.).
- V. Please call the Director of Parish Business Services or the Chief Financial Officer, if you have any questions concerning the cathedraticum policy.



DIOCESE OF AUSTIN

Policy Regarding the Purchase of Special Event Insurance

Effective Sept. 7, 2011

- I. A parish or school should purchase special events insurance for the following events, at a minimum:
 - A. Festivals
 - B. Bazaars
 - C. Jamaicas
 - D. Fiestas
- II. The parish or school at which the event is held is responsible to arrange for the purchase of the special events insurance.
 - A. If a parish or school uses the facilities of another parish or school for items **A – D** above, the parish or school should reimburse the parish or school that owns the facilities the cost of the insurance.
 1. Both entities (the one which owns the facilities and the one that uses the facilities) should know the requirements of this policy and assure that the required insurance has been purchased.
- III. A parish or school that fails to comply with this policy is responsible for a deductible of \$50,000 related to any loss or cost to defend any claim resulting from any of the listed applicable events.
 - A. If multiple entities (parishes or schools) are defendants in a claim and each failed to comply with this policy, each entity shall share the cost of the deductible equally.
- IV. A parish or school that complies with this policy enjoys the level of insurance coverage subject to the normal deductible.



DIOCESE OF AUSTIN

Policy Regarding Risk of Loss from Fraud, Theft and Embezzlement Claims

Effective July 27, 2011

A parish, school, or other organization falling under the diocesan umbrella insurance policies is responsible for incurring the first \$50,000 in any loss due to financial fraud, theft, or embezzlement that is not covered or reimbursed by the insurance carriers or perpetrator.



DIOCESE OF AUSTIN

Action to be Taken When Dismissing Employees

- I. A parish, school, or other organization that is covered by the diocesan umbrella liability policy may contact the Chancellor or Vice-Chancellor at any time for assistance in matters involving human resources.
- II. A parish, school, or other organization must consult with the Chancellor or Vice-Chancellor prior to dismissing an employee.
- III. A parish, school, or other organization that fails to consult with the Chancellor or Vice-Chancellor prior to dismissing an employee, or fails to follow the recommendations of the Chancellor or Vice-Chancellor, shall pay the first \$50,000 of any costs relating to a dispute brought by an employee.



DIOCESE OF AUSTIN

Policy on Extraordinary Expenditures

Revised February 2011

Pastors and administrators have the authority to enter into all contracts and expend such sums as are necessary in the routine administration of a parish. Frequently, the question arises about extraordinary expenditures, and, in order to serve the needs of the people of God in the Diocese of Austin and to be responsible stewards of the gifts given to the diocese, the Diocese of Austin issues the following policy:

- I. Effective as of this date, pastors and administrators may expend up to \$10,000 on any single expenditure without consultation or consent of the diocese, with the exception of real estate (See IV below) and architect/construction contracts (See V below).
- II. As regards contracts and/or expenditures in excess of \$10,000 but under \$50,000, the pastor or the administrator should advise the diocesan Finance Officer before proceeding to finalize the transaction, excluding real estate and construction contracts.
- III. All contracts and expenditures in excess of \$50,000 will require the written consent of the diocesan Bishop or his delegate.
 - A. All such contracts and expenditures that are entered into for the benefit of the parish are to be signed by the pastor or administrator in his own name, that is, in his capacity as pastor or administrator, not personally.
- IV. However, where title to real estate is involved, the diocesan Bishop must act since he holds title to all real property of the churches.
 - A. The proper legal title to be used is:
Joe S. Vásquez, Bishop of Austin and His Successors in Office.
- V. In building projects, the pastor or administrator may not enter into a contractual arrangement with an architect or contractor as such contracts must be signed by the diocesan Bishop or his delegate.



DIOCESE OF AUSTIN

Policy Avoiding the Use of 15-Passenger Vans

While authorities and safety organizations have not stated that 15-passenger vans are inherently dangerous, published information raises questions when considering whether to purchase or rent a 15-passenger van. In cautious concern, the Diocese of Austin adopts the following policy.

- I. Parishes and schools should not purchase or rent 15-passenger vans.
- II. Existing 15-passenger vans owned by parishes and schools should be phased out. If a parish or school currently owns a 15-passenger van, it should seek to replace it with another type of vehicle.
- III. Appropriate vehicles for transporting parishioners, youth, or students include passenger vehicles, chartered buses (large or small), multifunction school activity buses, and school buses.
- IV. Schools should note that Texas law imposes certain requirements on schools when transporting schoolchildren; which, in part, applies to Catholic schools (14 TAC §14.51-.53 and Chap. 34, Education Code).
 - A. Schools should verify that their school buses satisfy Texas School Bus Specifications.