ARCHDIOCESE OF BOSTON
PARISH SERVICES

CEMETERY BUDGET GUIDE

FISCAL YEAR 2022

March 2021

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LAY COMPENSATION AND BENEFIT COSTS

Section I

Lay Compensation and Group Benefit Costs

- Lay staff salaries should be based on planned performance review for budgetary purposes.

- The parish will make the determination of whether an individual providing services to the parish should be classified as an employee or as an independent contractor. This determination is based on specific criteria guidelines. For information to assist in determining whether an individual is an employee or independent contractor, please consult the following website from the Massachusetts Attorney General's Office at: https://www.mass.gov/service-details/independent-contractors .

SOCIAL SECURITY AND MEDICARE

The employer is liable for Social Security and Medicare taxes as follows:

- Social Security: 6.2 % on gross salary up to $142,800 for period Jan 1, 2021 to Dec. 31, 2021.
- Medicare: 1.45% on gross salary for the period Jan 1, 2021 to Dec. 31, 2021.

MEDICAL AND DENTAL INSURANCE COSTS

The guidelines for the employer share of the total health insurance premium is as follows:

Enhanced Health Plan		
	Parish/School	**Employee**
Employee	75%	25%
Employee +1	60%	40%
Family	60%	40%
Basic Health Plan		
	Parish/School	**Employee**
Employee	85%	15%
Employee +1	65%	35%
Family	65%	35%
High Deductible Plan		
	Parish/School	**Employee**
Employee	95%	5%
Employee +1	75%	25%
Family	75%	25%
Dental Plan		
	Parish/School	**Employee**
Employee	0%	100%
Family	0%	100%

The total annual cost, for **budgetary** purposes only, are provided below based on the above guidelines. Each parish/school needs to evaluate the relevant percentage of the costs for Enhanced and Basic that can be covered by the parish based on their individual budgetary constraints. This budget amount is based on the current monthly rates as of July 1, 2021. Beginning in FY 2022, the High Deductible Health Plan is a new plan that will be accompanied by an HSA. The cost share for the HDHP is set for all parishes as outlined on page 8.

There is no change to the Dental Plan rates. Dental coverage is paid in full by the employee and should not be included for budgeting purposes.

Enhanced Health Plan	
Annual Cost	**Medical Plan**
Employee	$8,635.56 per employee
Employee +1	$19,423.44 per employee
Family	$24,171.24 per employee
Basic Health Plan	
Annual Cost	**Medical Plan**
Employee	$7,341.72 per employee
Employee +1	$16,513.32 per employee
Family	$20,550 per employee
High Deductible Health Plan with HSA	
Annual Cost	**Medical Plan**
Employee	Employee = $315.20 Employer= $5,988.76
Employee +1	Employee = $3544.77 Employer= $10,634.30
Family	Employee = $4,411.26 Employer= $13,233.80
Dental Plan	
Annual Cost	**Dental Plan**
Employee	$568.44 per employee
Family	$1,301.64 per employee

MEDICAL INSURANCE FOR TEMPORARY EMPLOYEES

Pursuant to the Patient Protection and Affordable Care Act (PPACA), employees scheduled or reasonably expected to be compensated for 30+ hours per week must be offered medical insurance coverage no later than 90 days from date of hire. Therefore, when budgeting for employees who are considered "temporary," including substitute teachers or per diem employees, locations should include the cost of medical insurance (and dental insurance if paid for by the location) if these individuals will be compensated for 30+ hours per week for more than 90 days.

GROUP LIFE INSURANCE, LONG-TERM DISABILITY, TRANSITION ASSISTANCE PROGRAM AND RETIREMENT PLAN

An employee becomes eligible for coverage in the Group Life Insurance Plan, Long Term Disability Plan, and the Transitional Assistance Program after working one continuous year as a full-time employee. To be considered a full-time employee, the employee must work 1,000 hours or more in a year.

Group Life Insurance ($0.232 per $1,000 of Covered Amount) based on eligibility.
The life insurance benefit coverage is 2 times annual salary, rounded up to next $1,000, for employees up to age 65; 1.6 times annual salary for employees age 65-70; 1.2 times annual salary for employees age 70+.

Long Term Disability ($0.252 per $100 of covered salary per month) based on eligibility.
The salary used for calculating premiums for long term disability is the employee's annual salary.

Transition Assistance Program (TAP) (0.394% X Salary) based on eligibility.
The RCAB is not eligible to participate in the Massachusetts unemployment insurance program. The Transition Assistance Program (TAP) was instituted in the 1990's as a self-funded unemployment program that provides eligible employees with unemployment benefits comparable to state unemployment benefits. Premiums are charged to all parishes for the TAP program as a premium of 0.394% of covered salaries.

MA Catholic Care Paid Family and Medical Leave Program
Due to the Covid 19 Pandemic during FY20 and FY21, the MA Catholic Care Paid Family and Medical Leave Program was not finalized. Discussions will begin again for the possible implementation in FY 2022. More information to follow.

401(k) Retirement Savings Plan based on eligibility

All benefit-eligible lay employees of RCAB are automatically enrolled in the 401(k) Plan with a 3% pre-tax payroll deduction during the first pay-period following 45 days after hire date. Employees may opt out of this automatic enrollment or may decide to defer more or less than 3% of pay.

All lay employees who meet the eligibility criteria below are entitled to a 401(k) Plan employer contribution from the parish of 4.15% of eligible wages (4.0% into the employee's account, and 0.15% to offset Plan expenses):

1. The employee has worked at least 12 months and
2. has worked 1000 hours during those 12 months of employment

The employer contribution formula is a dollar for dollar matching contribution on the first 3.0% contributed, plus 50 cents on the dollar matching contribution on the next 2.0% contributed. Thus, a lay employee must contribute at least 5.0% of his own compensation to receive the full 4.0% employer contribution. All wages are considered 401(k) eligible effective. Imputed income and non-taxable reimbursements are not considered eligible wages. Because all benefit-eligible lay employees are being encouraged to contribute this minimum amount, ***for budget purposes, an amount of 4.15% of payroll wages should be used for the 401(k)-retirement plan.***

Budgeting for Pension Plan

For budget purposes, the parish will need to include an amount for the prior frozen Defined Benefit Pension Plan as well. This Plan billing was communicated to parishes in December 2011 as a bulk amount, not tied to specific employee participation in the Pension Plan. This bulk amount that is currently billed on your monthly central billing statement should be used as the budget amount in the line item 5106 Pension Plan for FY 2022.

INSURANCE COSTS

Section II

Insurance Costs

What we saw last year the insurance markets is continuing this year, with the markets going through an extreme period of adjustment with considerable increases across all lines of coverage, but especially property. The July renewal period is still months away, but we are receiving some indication of what we will be facing in the negotiations. The markets have tightened up and additional increases are being pursued, with 15-30% in the property markets and low double digits in the other lines, and auto being the only exception. Unfortunately, the second major rectory fire in as many months will have a detrimental impact on our leverage in the market negotiations.

We generally see such losses every five to ten years, but we have now had two in a span of only two months while also amid a hard market and an exodus of insurers from the religious non-profit business. We are continuing to explore a wide range of possible options to mitigate the impact of this market, including possible increased utilization of Fides Insurance Group, Inc. in the property coverage however you should be prepared for property increases in the 20-30% range.

Please remember that the markets, as we saw last year, can turn dramatically in just a few weeks, resulting in much higher increases and more challenging negotiations on terms and conditions. The global catastrophe activity during the last 12 months has been high with high cyclone activity and the wildfires in Australia.

The markets are also pushing very hard for increases in the insured values of our buildings due to the increased cost of construction. While we are working with the underwriters to spread the impact of such adjustments out over a three-year period, the impact of such additional adjustments must be kept in mind when planning and budgeting.

We will continue to strive to develop effective education programs and bring them to our parishes in our efforts to continue to bring safety to your staffs and parish communities, as well as financial benefits to your parishes.

We are just beginning the renewal process and negotiations, and we must be cognizant of the fact that should our loss experience deteriorate any further during this time, or if there is additional catastrophe activity around the globe, our negotiations and costs could be adversely affected. Conversely, our mitigation efforts and negotiations may, hopefully, result in actual increase below those being recommended. With those considerations in mind, the Office of Risk Management is recommending conservative a conservative approach to the planning in your budget preparations.

Estimated insurance cost **adjustments** for FY 2022:

Property insurance premiums: 30%	Crime: 10%
Boiler and machinery: 15%	Auto: 5%
General liability: 15%	Scheduled property program: 10%
Workers compensation: 3%*	

*This is an average and can be higher or lower based upon payroll classification codes.

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INFORMATION TECHNOLOGY

Section III

Information Technology

As you develop your annual parish budget, the RCAB Information Technology Department encourages you to plan for your Information Technology (IT) needs for the new Fiscal Year. IT plays a vital role in supporting your efforts to effectively manage the business of running a parish or a collaborative. Though specific technology costs will vary by parish or collaborative and by needs and projects, a parish may expect the average cost of IT services to be approximately $6,000 per year. The IT budget would include the following types of expenditures:

- IT services and support, ideally through an outsourced IT provider either via a monthly service plan or on an as needed basis.
- Computers, which should be replaced every three to four years. Use the Parish Dell Portal to take advantage of discounted prices for new computers and other hardware (https://dell.com/RCAB)
- Internet access and Firewall.
- Off-site data backup and recovery services.
- Software purchases including anti-malware for all devices including desktops, laptops, and mobile devices. Create an account with TechSoup to purchase software at a discount (https://www.techsoup.org).
- Website and domain hosting. Consider hosting your website with the Digital Initiative for free (https://www.bostoncatholic.org/digital).
- Email and office productivity. Consider the RCAB Office 365 solution. Contact Karina Salas for more information.
- Information Technology evaluation and needs assessment.
- Capital Improvements may include upgrades to network and wiring, wireless access, a new or upgraded digital or IP phone solution. IT is not a “set it and forget it” operation. It is important to update and replace old equipment which may be liable to break as it ages or to be cyber compromised.

When IT issues occur, there is a cost to any resolution or recovery. At times, and based on the type of issue, the cost may be large. When planning your IT budget, a portion should also be set aside for unplanned events.

For further information please contact:
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CAPITAL ACQUISITIONS AND IMPROVEMENTS

Section IV

Capital Acquisitions & Improvements

Capital Expenditures

All expenditures, subject to the following conditions should be recorded in either the 7000 series (QB) or 529xxx series (Intacct) in the chart of accounts. In general, any acquisition with a life expectancy greater than three years and a cost of $3,000 or more should be recorded to 7000 series (QB) or 529xxx series (Intacct). All projects should be assigned a unique identifying code which should be included in the QuickBooks memo for each payment.

Land and Land Improvements

Include all acquisitions of land and any pertinent purchase costs, regardless of the dollar amount in account number 7001 (QB) or 529000 (Intacct). Include expenditures for parking areas, drainage, sewers, cabling, fences, and non-routine land- scaping or shrubbery costs, if the costs are $3,000 or more in account 7001 (QB) or 529000 (Intacct)–Acquisition/Improvement–Site/Land. If a project costs less than $3,000, and/or if the project relates to routine maintenance (cutting the grass, snowplowing, etc.) the costs should be recorded to account 6308 (QB) or 520007 (Intacct)- Maintenance Grounds.

Note: if individual capital improvements less than $3,000 are part of an overall project that costs more than $3,000, they should be recorded in account number 7001 (QB) or 529000 (Intacct)-Acquisitions and Improvements/Sites.

Buildings and Improvements

Include the purchase of all buildings and their acquisition costs, regardless of the dollar amount, in account number 7003 (QB) or 529003 (Intacct). Include the acquisition of the structural shell and all other integral parts including heating equipment, plumbing, central air conditioning, elevators, etc. In addition to these costs, new construction or renovations should also include architectural and other professional fees, site preparation, legal fees, and interest during construction, etc. in account 7003 (QB) or 529003 (Intacct). Improvements that cost less than $3,000 per event or project should be recorded in building maintenance. Additionally, if improvements do not increase the useful life of the building, provide a betterment, adapt the property to a new use or are routine building maintenance the costs should be coded to 6309 (QB) or 520006 (Intacct)–Maintenance Buildings.

Note: if individual projects/invoices or improvements less than $3,000 are part of a larger project or action plan that costs more than $3,000, they should be charged to the appropriate account(s): 7003 (QB) or 529003 (Intacct) -Acquisitions and Improvements/Buildings.

All building alterations that enhance the estimated useful life of the building, should be recorded in 7003 (QB) or 529003 (Intacct)- Acquisition and Improvements/Buildings. Note: consider entire contracts and project expenditures when evaluating costs as capital expenditures.

Note that roof repairs should be closely reviewed to determine whether they truly add to the estimated useful life as originally estimated. Interior painting costs that are not part of a larger project, acquisition or addition should be coded to 6309 (QB) or 520006 (Intacct)– Maintenance Buildings.

Furniture and Fixtures

Furniture and fixtures include -- furniture, machinery, and equipment such as computers, desks, smart boards, etc. These should be recorded in account 7002 (QB) or 529001 (Intacct) - Furniture & Equipment if costs exceed $3,000 per item. Group purchases of furniture and fixtures that exceed $3,000, even if individual items do not meet the guide- lines, should also be recorded in account number 7002 (QB) or 529001 (Intacct).

For example, a school may purchase 10 or more computers at a time, a rectory may place air-conditioners in each of six rooms, and a bedroom set may be purchased. A combination of disparate items may also qualify as a capital acquisition as in the purchase of a computer, monitor, printer, desk and the necessary software if the total is equal to $3,000 or more and if these items are purchased as a group or in a relatively short time frame as part of the same project. When groups of items are purchased, the QuickBooks memo should clearly identify what purchases are part of that group or project.

Automobiles, Trucks, Plows, Tractors, etc.

All vehicle purchases should be recorded in account number 7004 (QB) or 529004 (Intacct) - Acquisitions of Vehicles if the cost is $3,000 or more and the estimated useful life is three years or more. If an outside loan was obtained to purchase a vehicle, the total loan balance should be recorded as a credit to 2899 (QB) or 224001 (Intacct) - Other Indebtedness with an offsetting debit against 7004 (QB) or 529004 (Intacct). The deposit related to the loan should also be recorded against 7004 (QB) or 529004 (Intacct).

Repairs

Repairs should only be recorded to the 7000 (QB) or 529xxx (Intacct) account series if they are considered an improvement to an existing asset that would extend the useful life greater than three years and the cost is $3,000 or more. Only repairs that materially increase the value of an item should be recorded to the 7000 (QB) or 529xxx (Intacct) account series. Repairs for normal wear and tear should not be recorded to the 7000 (QB) or 529xxx (Intacct) account series. Repairs to physical plant, boilers, central air units, etc. should only be recorded to the 7000 (QB) or 529xxx (Intacct) account series if the repair extends the life of the asset a year or more **beyond the original expected** life or if the repair involves replacement of a major component. An example of a major component would be the engine in a car, not the battery or a starter.

Capital Campaigns

All fundraising expenses for Capital Campaigns should be coded to 6701– Fundraising Expense as incurred and never recorded to the 7000 (QB) or 529xxx (Intacct) account series. Capital Campaign revenue should never be entered in the 7000 (QB) or 529xxx (Intacct) accounts. Only direct project/building or acquisition costs relating to a Capital Campaign should be recorded to the 7000-account series.

For further information please contact parish and school accounting:

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