

**2018 DIOCESAN TREASURER'S  
REPORT**

**ATTACHMENT "G"**

**Proposed Budget for 2019**

**&**

**Executive Summary**

**To be presented to the Diocesan Council  
for Approval at the meeting before the  
Diocesan Assembly prior to presenting it  
to the Diocesan Assembly for Approval**



**Attachment G: Proposed Budget for 2019**

**Income:** As mandated by the 2012 Diocesan Assembly and in response to the 18<sup>th</sup> All American Council's encouragement to change to a proportional giving model, the Stewardship Committee has spent the last several years collecting and analyzing financial information from all the parishes in the Diocese to determine a proportional giving model to fund the work of the Diocese. Based on discussion with the Stewardship Committee and the Finance Committee, a proportional giving amount, or tithing, based on 13% of Parish eligible income is recommended. With a tithing of 13%, the work of the Diocese may be fully funded and a balanced budget is presented. Based on a 13% tithe, the total income to the Diocese is equal to \$1,072,812.

In addition to the Tithing income, Program income (\$38,000) and Additional income (\$14,200) is also provided for a total income of \$1,124,932.

The budget as presented is very similar to previous budgets submitted and approved. However, several of the same previous expenses are now recategorized from where they were in the previous budgets. As a result, the format of the budget will appear slightly different. For information purposes, a summary of the expense categories is provided below. For the detail of the actual expenses, please refer to the actual numbers provided in the Excel Spreadsheet. Additional explanation/detail is provided where deemed appropriate.

**Expenses:**

**OCA Tithing:** The amount paid to the OCA is shown as \$472,037.28 (44% of the Total Parish Tithing of \$1,072,812)

**Program Expenses:** Total of \$117,800: This comprises Charity, Donation to the Episcopal Assembly, Late Vocations, Mission Parish Development Grants, Scholarships, Diocesan Assembly Expense and Clergy Convocation Expense.

**Auto and Travel:** Total of \$60,500. This comprises travel expenses for the Auditors, Automobile Expenses, Automobile Reserve fund, Bishop, Bishop's Kellenik, Chancellor, Deans, Diocesan/ Bishop/ Metropolitan Council, Late Vocations, Secretary

**Building and Grounds:** Total \$40,036.39: This comprises Cleaning, Interest Expenses for our Loan, Maintenance Repairs, Maintenance Reserve Fund, Service Contracts and Supplies.

**Utilities:** Total is \$19,200. This comprises Electric, Garbage, Gas, Water and Sewer

**Diocesan Staff Salaries/Stipends:** Total is \$273,921.44. This comprises the salary and benefits for the Bishop, Chancellor Secretary/Bookkeeper, Property Manager, Bishop's Kellenik and Stipends for the Deans, Communication Director, Late Vocations and Treasurer.



**Regarding Salaries:**

For the Bishop's, Chancellor's, Secretary/Bookkeeper, Property Manager's and new position, Bishop's Kellenik/Office Aide, changes were made in the way they were calculated.

In general, there was an old practice of the Church to pay full FICA and Full pension to priests, in addition to a salary number. This practice, in reality, was not correct by IRS standards since the Employee portions of FICA and Pension, when paid by the parish, or in our case, the diocese, are taxable to the recipient. In order to move forward in an acceptable manner we have combined these numbers to reflect the "actual" salaries paid. Note, these additional numbers have previously been reported in full on the W2's to the employees. By reporting the "real actual" numbers under salaries, with this proposed budget, we will bring all of our numbers into IRS compliance and will set the reporting and budgeting manner correctly.

The above is reflected in the method the salaries are now calculated. In addition, there were major changes in the method of calculating the Bishop's salary. Previously, a set salary number of \$45,000 was given to the Bishop, any Bishop, when first coming into the Diocese. This budget determines the salary of the Bishop based on the Clergy Compensation Guidelines from our own Diocese, the same which is used for determination of salaries for priests in our Diocese. This process took place at the last Diocesan Council meeting held in Chicago.

Following the clergy compensation guidelines, to determine the base salary of the Bishop, an initial starting salary of \$56,902 was selected based on 1) the Area Median Income (AMI) from the City of Chicago for a household size of one 2) an increase based on the years of service by the Bishop and 3) an increase based on the size of the parish (Diocese in our case) served. This adds up to a base salary of \$73,617. The Diocesan share of Social Security and Pension is based on the base salary plus the \$24,000 housing allowance. Also added in are the Medical Health and Life Insurance costs for the Bishop and an Equity allowance of 10% (based on the OCA Guidelines). The total compensation package for the Bishop is \$96,212.06. The Bishops share of Pension (6%) and Social Security (7.65%) are payroll deductions out of the Bishops salary. The above is within the guidelines stated above.

Similar changes (where applicable) were made for the other staff personnel. For the Chancellor and the Secretary/Bookkeeper, a 2.4% increase in salary due to the Cost of Living (CPI) were also included in calculating the salary packages.

Last year, minimal funding was set aside for a Kellenik/Office Aide for the Bishop. This year, a position was created and included in the budget. The Bishop's Kellenik will travel with an aide the Bishop during his travels to Diocesan's parishes and perform special office related tasks for the Bishop. This is not a full-time position, but is meant to cover the estimated time spent traveling and working with the Bishop.

For information and clarification of the above, a brief explanation is provided on pages 2 and 3 of the budget where the salaries and benefits are shown.

**Insurance for Diocesan Center:** Total is \$25,891. This comprises Auto, Bishop's Life Ins. Liability, Property and Workers Compensation

**Office Expenses:** Total is \$21,150. This comprises Advertising, bank service charges, Copier Lease, Hospitality, Internet Service Provider, Library Periodicals, Miscellaneous, Office Supplies, Postage and Telephone.

**Professional Fees:** Total is \$42,770. This comprises Accounting, Audit, Background Checks, Compliance Website, Counseling, Family/Youth Ministry, Investment Fund Management Fees, Legal, Parish Health Facilitator, Psychological Evaluations and Payroll preparation.

- The Diocesan Compliance Website is established where parishes will submit all their reports so that it will help His Grace Bishop Paul and the Deans be able to check on whether they have anything outstanding, keep track of background checks, psychological examinations, etc.

**Miscellaneous Expenses:** Total is \$51,625.89. This comprises the Bishop's Discretionary Funds, Candles, Liturgical Supplies, Taxes and Licenses and a Special Projects Fund.

- The Special Projects Fund is added and may be utilized in multiple ways. It may help to assist in the funding of a Youth Ministry, cover maintenance costs on the properties, cover any shortfall in the budget, etc.

Taking all the above into consideration, the total budgeted expenses, \$1,072,812 is equal to the 13% tithe and a balanced budget is being presented for 2019





**Diocese of the Midwest - OCA  
2019 Proposed Budget**

**Ordinary Income / Expenses**

**Income**

<b>Tithing of 13% for Parishes</b>	<b>\$ 1,072,812.00</b>
------------------------------------	------------------------

**Program Income**

Late Vocations	\$ 12,000.00	(Pass Through)	
Seminars & Meetings (Convocation)	\$ 12,000.00	(Pass Through)	
Support our Seminarians Appeal (SOS)	\$ 12,000.00	(Pass Through)	
Scholarship (Other Contributions)	\$ 2,000.00	(Pass Through)	
<b>Total Program Income</b>	<b>\$ 38,000.00</b>	<b>\$ 38,000.00</b>	<b>\$ 38,000.00</b>

**Additional Income**

CTS Reimbursement for Copier	\$ 1,070.00		
Psych Evaluations (50% Reimb from parishes)	\$ 2,550.00		
Uncategorized Income	\$ 500.00		
Diocesan Assembly Income	\$ 10,000.00	(Pass Through)	
<b>Total Additional Income</b>	<b>\$ 14,120.00</b>	<b>\$ 14,120.00</b>	<b>\$ 14,120.00</b>

<b>Total Income</b>	<b>\$ 1,124,932.00</b>
---------------------	------------------------

**Expense**

<b>OCA Tithing (44% of \$1,072,812)</b>	<b>\$ 472,037.28</b>
---	----------------------

<b>Program Expense</b>
------------------------

Charity	\$ 1,500.00		
Donation to Episcopal Assembly	\$ 1,500.00		
Late Vocations	\$ 12,000.00	(Pass Through)	
Mission/Parish Development Grants	\$ 46,800.00		

**Scholarships**

Budgeted Portion	\$ 20,000.00		
Fundraisers Portion (SOS)	\$ 12,000.00	(Pass Through)	
Scholarships - Other	\$ 2,000.00	(Pass Through)	
<b>Total Scholarships</b>	<b>\$ 34,000.00</b>	<b>\$ 34,000.00</b>	

Diocesan Assembly Expense	\$ 10,000.00	\$ 10,000.00	(Pass Through)
Seminars & Meetings (Convocation)	\$ 12,000.00	\$ 12,000.00	(Pass Through)

<b>Total Program Expense</b>	<b>\$ 117,800.00</b>	<b>\$ 117,800.00</b>
------------------------------	----------------------	----------------------

<b>Auto and Travel</b>
------------------------

Auditors	\$ 2,500.00		
Automobile Expense	\$ 2,000.00		
Automobile Reserve Fund	\$ 5,000.00		
Bishop	\$ 13,500.00		
Bishop's Kellenik	\$ 5,000.00	(Revised from May Finance Mtg)	
Chancellor	\$ 5,000.00		
Deans	\$ 1,200.00		
Diocesan / Bishop's Council	\$ 24,000.00		
Late Vocations	\$ 500.00		
Metropolitan Council	\$ 1,000.00		
Secretariat	\$ 800.00		

<b>Total Diocesan Auto and Travel</b>	<b>\$ 60,500.00</b>	<b>\$ 60,500.00</b>
---------------------------------------	---------------------	---------------------

**Diocese of the Midwest - OCA  
2019 Proposed Budget**

**Building and Grounds**

**Repairs and Maintenance**

Cleaning	\$ 8,400.00	
Interest Expenses (Loan)	\$ 13,036.39	
Maintenance/Repairs	\$ 5,000.00	
Maintenance Reserve Fund	\$ 5,000.00	
Service Contracts	\$ 7,100.00	(Johnson Controls Security \$6k, Orkin \$1.1k)
Supplies	\$ 1,500.00	
<b>Total Repairs and Maintenance</b>	<b>\$ 40,036.39</b>	<b>\$ 40,036.39</b>

**Utilities**

Electric	\$ 8,000.00	
Garbage	\$ 300.00	
Gas	\$ 10,000.00	
Water & Sewer	\$ 900.00	
<b>Total Utilities</b>	<b>\$ 19,200.00</b>	<b>\$ 19,200.00</b>

**Total Building and Grounds**

**\$ 59,236.39**      **\$ 59,236.39**

**Diocesan Staff Salaries and Benefits**

**Bishop**

Salary	\$ 73,617.00	(Median Household Income for Chicago as prescribed by Dio. Clergy Comp Guidelines)
Health Insurance (Medical/Dental)	\$ 4,127.00	Medicare Paid Direct to Provider
Housing Allowance	\$ 24,000.00	
Pension (8% Diocese)	\$ 7,809.36	8% x (\$73,617 Salary + \$24k Housing)
Social Security (Diocese Portion)	\$ 7,467.70	7.65% x (\$73,617 Salary + \$24k Housing)
Equity Allowance (10% Housing Allowance)	\$ 2,400.00	Create a separate Account for Deposit in Bishop's Name: Per Dio. Clergy Comp
Life Insurance	\$ 791.00	Bishop's Personal Life Ins. Policy
Rent (Payroll Deduction)	\$ (24,000.00)	
<b>Total Bishop</b>	<b>\$ 96,212.06</b>	<b>\$ 96,212.06</b>

**Value of Bishop's Salary Package \$ 120,212.06 (Total for Bishop Including Housing Allowance)**

**Chancellor**

Salary	\$ 26,993.27	\$26,993.27 W2 Salary based on [\$23,308.68 + \$1,619.60 (6% Pension) + \$2,064.99 (7.65% FICA)]
2.4% CPI Increase	\$ 647.84	
<b>New base salary</b>	<b>\$ 27,641.11</b>	
Pension (8% Diocese)	\$ 2,211.29	(\$26,993.27 x 8%)
Social Security (7.65%)	\$ 2,114.54	(\$26,993.27 x .0765%)
<b>Total Chancellor</b>	<b>\$ 31,966.94</b>	<b>\$ 31,966.94</b>

**Secretary/Bookkeeper**

Salary	\$ 43,138.00	2017 Base Salary = \$39,952.39 (Salary) + \$3,185.61 (approx 6% Pension on \$56k)
2.4% CPI Increase	\$ 1,035.31	
<b>New base salary</b>	<b>\$ 44,173.31</b>	
Pension (8% Diocese)	\$ 3,533.86	8% x \$44,173.31, New Base Salary
Social Security (7.65%)	\$ 3,379.26	7.65% x \$44,173.31, New Base Salary
Health Insurance	\$ 13,068.00	(\$1,089/mo)
<b>Total Secretariat</b>	<b>\$ 64,154.44</b>	<b>\$ 64,154.44</b>



**Diocese of the Midwest - OCA  
2019 Proposed Budget**

**Property Manager**

Salary	\$ 11,112.00	\$11,112 = \$6,000 Salary + 15.3% FICA (\$6k Salary + \$18K Housing) + 6% Pension (\$6k Salary + \$18K Housing)
Housing Allowance	\$ 18,000.00	
Pension (8%): 8% x \$24k	\$ 1,920.00	8% x (\$6,000 Salary + \$18,000 Housing)
Rent (Payroll Deduction)	\$ (18,000.00)	Housing Allowance is subtracted out
<b>Total Property Manager</b>	<b>\$ 13,032.00</b>	<b>\$ 13,032.00</b>

**Bishop's Keleinik/Office Aide**

Salary	\$ 24,000.00	Based on \$15/hr spent on job
Pension (8%): 8% x \$24k	\$ 1,920.00	8% x (\$24,000 Salary)
Social Security (7.65% x \$24k)	\$ 1,836.00	7.65%x(\$24,000 Salary)
<b>Total Bishop Kellenik/Office Aide</b>	<b>\$ 27,756.00</b>	<b>\$ 27,756.00</b>

**Deans**

Chicago	\$ 3,600.00	
Cleveland	\$ 3,600.00	
Indianapolis	\$ 3,600.00	
Kansas City	\$ 3,600.00	
Michigan	\$ 3,600.00	
Minneapolis	\$ 3,600.00	
<b>Total Deans</b>	<b>\$ 21,600.00</b>	<b>\$ 21,600.00</b>

**Support Staff**

Communications Director Stipend	\$ 3,600.00	
Late Vocations Stipend	\$ 12,000.00	
Treasurer	\$ 3,600.00	
<b>Total Support Staff</b>	<b>\$ 19,200.00</b>	<b>\$ 19,200.00</b>

**Diocesan Staff Salaries and Benefits**

\$ 273,921.44

\$ 273,921.44

**Insurance**

Auto	\$ 1,500.00	
Bishop's Life Ins. (Diocesan Policy)	\$ 791.00	
Liability	\$ 1,600.00	
Property	\$ 20,000.00	
Workers Comp	\$ 2,000.00	
<b>Total Insurance</b>	<b>\$ 25,891.00</b>	<b>\$ 25,891.00</b>

\$ 25,891.00

**Office Expenses**

Advertising	\$ 150.00	
Bank Service Charges	\$ 600.00	
Copier Lease (TTSG)	\$ 2,400.00	
Dues & Subscriptions (WebEx/Angies List)	\$ 1,200.00	
Hospitality	\$ 6,000.00	
Internet Service Provider	\$ 3,000.00	
Library & Periodicals	\$ 700.00	
Miscellaneous Expenses	\$ 500.00	
Office Supplies	\$ 4,000.00	
Pitney Bowes	\$ 1,500.00	
Postage	\$ 1,000.00	
Printing & Reproduction	\$ 100.00	
Telephone	\$ 8,000.00	
<b>Total Office Expenses</b>	<b>\$ 21,150.00</b>	<b>\$ 21,150.00</b>

\$ 21,150.00

**Diocese of the Midwest - OCA  
2019 Proposed Budget**

**Professional Fees**

Accounting	\$ 6,500.00		
Audit (External)	\$ 2,000.00	(From May Finance Meeting)	
Background Checks (250 x \$30 ea.)	\$ 7,500.00	(Estimate of 250 background checks)	
Compliance Website Yearly	\$ 420.00		
Maintenance Fee			
Counseling	\$ 2,500.00		
Family/Youth Ministry	\$ 8,000.00		
Family Website Hosting Costs (\$100/mo)	\$ 1,200.00		
Investment Fund Management Fees	\$ 2,600.00		
Legal	\$ 1,200.00		
Parish Health Facilitator	\$ 5,000.00		
Psychological Evaluations	\$ 5,100.00		
Payroll Preparation	\$ 750.00		

<b>Total Professional Fees</b>	<b>\$ 42,770.00</b>	<b>\$ 42,770.00</b>	<b>\$ 42,770.00</b>
--------------------------------	---------------------	---------------------	---------------------

**Miscellaenous Expenses**

Bishop Discretionary Fund	\$ 1,200.00
Candles	\$ 1,500.00
Liturgical Supplies	\$ 200.00
Special Projects Fund	\$ 48,575.89
Taxes and Licenses	\$ 150.00

<b>Total Miscellaenous Expenses</b>	<b>\$ 51,625.89</b>	<b>\$ 51,625.89</b>	<b>\$ 51,625.89</b>
-------------------------------------	---------------------	---------------------	---------------------

<b>Total Expense</b>	<b>\$ 1,124,932.00</b>
----------------------	------------------------

<b>Total Income (Page 1) (13% Tithing)</b>	<b>\$ 1,124,932.00</b>
--	------------------------

<b>Balanced Budget</b>	<b>\$ 0.00</b>
------------------------	----------------

# 2019 Budget Executive Summary

**Income Based on 13% Tithing (OCA and DIOCESAN) = \$1,072,812 + \$38,000 from Program Income and \$14,120 from Additional Income. Total Income = \$1,124,932**

OCA Tithing	\$472,037.28	44% of \$1,072,812 Tithing
Program Expense	\$117,800.00	Missions, Late Vocations, Charity, Seminarian Scholarships, Dio. Assembly, Clergy Convocation
Diocesan Travel	\$60,500.00	Bishop, Chancellor, Secretary, Deans, Diocesan/Bishop's/Metropolitan Council, Auditors, Auto Expense, Auto Reserve Fund
Buildings and Grounds	\$40,036.39	Cleaning, Loan Interest, Maintenance/Repairs, Maint Reserve Fund, Service Contracts, Supplies
Utilities	\$19,200.00	Electric, Garbage, Gas, Water
Diocesan Staff Salaries/Stipends and Benefits	\$273,921.44	Bishop, Chancellor, Secretariat, Property Mgr., Kellenik and Stipends for Deans, Communication Director, Late Vocations and
Insurance	\$25,891.00	Property, Auto, Umbrella and Workers Compensation
Office Expenses	\$21,150.00	Copier Lease, WebEx, Hospitality, Internet Service Provider, Office supplies, Postage, Telephone
Professional Fees	\$42,770.00	Accounting, Background Checks, Counseling, Family/Youth Ministry, Investment Fund Fees, Parish Health Facilitator, Psychological Evals, Payroll Prep
Miscellaneous Expenses	\$51,625.89	Bishop Discretionary, Candles, Special Projects Fund
<b>TOTAL EXPENSES</b>	<b>\$1,124,932.00</b>	

