

**IOANNES FRANCISCUS**

**Divina Miseratione et**



**Apostolicae Sedis Gratia**

**EPISCOPUS MARQUETTENSIS**

**DECREE**

**PROMULGATION OF  
PERSONNEL POLICIES AND BUDGET FINANCE POLICIES  
FOR CATHOLIC SCHOOLS**

Following an ordinary review of the Personnel Policies and Budget Finance Policies for Catholic Schools in the Diocese of Marquette, it was deemed opportune to update these policies.

After consultation with the Diocesan School Board on August 19, 2014, after their review of the proposed policies and receiving a positive recommendation;

Having heard the Presbyteral Council on December 10, 2014 after their review of the proposed policies and receiving a positive recommendation; it is my decision to establish these policies.

Therefore, in accord with *CIC*, canons 8 §2, 29, and 391§1 I hereby decree and promulgate as particular law for the Diocese of Marquette the following Personnel Policies and Budget Finance Policies for Catholic Schools.

The former Personnel Policies and Budget Finance Policies for Catholic Schools in the Diocese of Marquette are hereby repealed and abrogated in accord with *CIC*, canon 20 §1.

Any policy or particular law of the Diocese of Marquette that is contrary to the Personnel Policies and Budget Finance Policies for Catholic Schools is hereby repealed and abrogated.

The provisions of this decree shall become effective July 1, 2015.

Given at the chancery in Marquette, Michigan this 8<sup>th</sup> day of January in the year 2015.

Most Reverend John F. Doerfler, STD, JCL  
Bishop of Marquette

Reverend Daniel J. Moll  
Chancellor

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**Budget & Finance Policies**  
**Revised July 1, 2015**

These policies have been approved by the Bishop of the Diocese of Marquette and are the only approved budget and finance policies for the schools in the Diocese of Marquette.

**Budget**

**3010 Annual Budget**

All schools are required to develop a balanced budget following the annual school budgeting process packet, which is to be approved by the Pastor(s) and reviewed by the School Council and Parish Finance Council(s). The School Council shall act in an advisory role to the Pastor and Principal in monitoring budget expenditures and revenue throughout the year. The Diocesan Superintendent shall serve in an advisory role to the pastor(s) and Bishop during the budgeting process. Locally approved school budgets, as prepared in the PDS Ledger System, must be submitted to the Diocesan offices each year for review and approval.

**3020 3-Year Operating Budget:**

Principals are encouraged to work collaboratively with their Pastor(s)/Business Manager and the diocese to prepare a 3-year operating budget, for the purpose of anticipating future needs. This budget is to be reviewed by their School Council and Parish Finance Council(s), according to the budget timeline set forth in the annual budget packet.

**3030 Parish Subsidy**

In accordance with the budgeting process, an annual meeting should take place with the Principal, the Pastors of all parishes, and the bookkeepers to discuss and determine the total parish subsidy amount in light of the school's three-year operating budget. If an agreement cannot be reached, the Superintendent will be involved as needed. Once the subsidy amount is determined, the formula used to assess the parish(es) must be approved by the Superintendent.

## Tuition

### **3110 Tuition Management / Procedure:**

All schools must develop a formal tuition contract, with Diocesan approval, which should at least include (a) full payment, (b) semester payments (two payments of 50% each), (c) a quarterly payment plan, and (d) a monthly payment plan. The contract should also address school fees.

### **3120 Non-Admission of Students Due to Tuition Delinquency**

The success of the Catholic School relies upon the commitment of families to:

- Make Catholic education a financial priority;
- Be involved in their student(s) education; and
- Make their tuition & other payment(s) on a timely basis.

The tuition contract is a binding agreement between the school and the family. The school relies upon the tuition & fee payments to operate an excellent spiritual and educational program. Every effort will be made to ensure a Catholic school education will be affordable to all. When tuition & fee payments become delinquent it is a serious matter. When families' circumstances change to such a degree that it warrants re-evaluation of the tuition & fee payment commitment, it is the responsibility of the family to contact the school administration as soon as possible. Typically, this occurs when there is an emergency such as illness or unemployment. For the purpose of this policy payments shall include, but are not limited to, Tuition, Pre School Fees, After School Fees, Lunch Fees, Late Payment Fees, NSF Fees, and SCRIP Fees.

When payments are not made in the manner agreed upon by a parent/ guardian's contractual agreement, the following steps will take place:

1. When an account becomes 30 days past due, the family will receive a Past Due Letter. These letters will be sent out by the 10th day of the month. It is the responsibility of the family to contact the school administration within 15 days of receipt of the past due notice to correct the situation or make an acceptable alternate plan for payment.
2. When an account becomes 60 days past due and the family has not contacted the school administration, a 60 day past due letter will be sent. A student will not be permitted to register for the following academic year until the account is brought current or other arrangements have been made with the school administration.
3. When an account becomes 90 days or more past due with no communication from the family a past due letter will be sent. School administration (or designated individual) will personally contact the family to discuss the past due account. If in the judgement of the school the parent/guardian refuses to act in good faith regarding their tuition obligation the school may pursue legal action against the parents/guardians for failure

to honor their tuition & fees commitments. Actions could include dismissal of the students and/or legal actions including collection agency or small claims court.

4. If a parent/guardian refuses to act in good faith, the administration will refuse to accept the children as students in the school for the following year. The school administration reserves the right to withhold report cards, transcripts, diplomas, and/or other records of students whose parents have an outstanding debt and have made little or no effort to reconcile the account.
5. If number 3 above is reached the school may determine to notify the family at least 10 days prior to the beginning of second semester, and determine that their student(s) will not be re-admitted on the first day of the second semester.

### **3130 Returned Check/Payment**

The Catholic School shall pass on to the person(s) responsible any fee, expense, or similar charge assessed to the Catholic School as result of the school accepting in good faith from that person(s) any form of payment, including, but not limited to check, electronic payment or credit card payment, when such payment is returned to, or charged back to the school as unpaid. The person(s) would be liable for the total amount of the original payment.

### **3140 Late Payment Fee**

Each local Catholic School may assess a late payment fee for any payment not received within ten days of the due date. The Administrator shall determine the amount of such fee for each program, department, or area.

### **3150 Refund of Tuition Payments or Other Payments**

Payments made to a school whether prepaid or regular payments shall be refunded to the family on a pro-rated per diem basis. The actual number of days in the period of enrollment shall be calculated and the per diem rate shall be charged. Tuition assistance and any other credits or grants shall be treated and applied in the same manner.

### **3160 Tuition Waiver**

If financially feasible, schools may wish to consider waiving a portion of the tuition for the child(ren) of full-time instructional staff, support staff and administrator(s) if their child(ren) attends the Catholic school in which the employee is working. Waiver percentage and eligibility are defined in the local benefits package.

### **3170 Tuition Collection / Sunday Giving**

Written agreements, tuition payment guidelines/policies, definitions of parishioner in good standing, or any other tuition related documents must ensure that all Sunday offertory giving is voluntary. Sunday giving can be encouraged. There can never be a quid pro quo (trading of services in lieu of tuition).

### **3180 Admissions Policy (Re: Outstanding Tuition)**

Families that have outstanding tuition in a Catholic school within the Diocese of Marquette will not be considered for admission to another Diocesan Catholic School until the outstanding tuition has been paid.

## **Scholarships**

### **3210 Diocesan Scholarship Requirements**

Each school will receive an annual distribution from the Diocese from an endowment fund earmarked for scholarship purposes. Only families that are registered parishioners of the Diocese of Marquette are eligible for this Diocesan Tuition Scholarship Program. The same standard formula and committee will be used to determine the individual scholarship amounts.

### **3220 Scholarship Guidelines**

A Tuition Scholarship Committee will be formed at each school. The suggested composition of this committee is: Pastor, Principal and School Finance Committee Chair. The committee will review and finalize the tuition scholarship amounts. The committee would see only each family as a number and no names should be shown.

Listed below are the guidelines that must be used by each local Scholarship Committee for determining all scholarship amounts:

1. All families seeking financial assistance must apply annually.
2. All families are expected to actively participate in fundraising activities.
3. Only families with registered students are eligible for financial assistance.
4. The family requesting scholarship funds will provide a copy of their most recent tax return. This information must remain confidential.
5. Tuition scholarships are centered on a needs assessment formula based on the following factors:
  - A. Marital status
  - B. Number of wage earners in family
  - C. Number of school age children
  - D. Adjusted gross income

- E. Requested amount of assistance
6. Tuition scholarship amounts will be granted at the lower of the requested assistance amount or the calculated available assistance.

### **3230 School Financial Assistance Policy**

School Financial Assistance will be under the direct supervision of the Principal and/or Pastor. The guidelines provided by the Diocese are to be used by all schools in determining scholarship assistance amounts. Before notification to families, reports must be submitted to the Superintendent for review and approval. The Diocesan Schools Business Manager shall receive reports on the dispersal of financial assistance funds.

### **3240 Financial Assistance Funds**

Funds specifically solicited or donated for financial assistance shall be held in a restricted fund in accordance with generally accepted accounting principles. The Finance Committee shall approve the dispersal of those funds for financial assistance.

### **3250 Distribution of Assessment from Non-Supporting Parishes**

These funds shall be considered unrestricted and shall be used for the general operations of the School with one exception. A minimum of twenty-five percent (25%) of the allotment shall be designated for use to aid in the following areas:

1. Transportation of students from the non-subsidizing parishes to the Catholic School.
2. Supporting the transportation of students from outlying areas to the school.
3. Providing special transportation services to students in order to keep the school accessible and affordable.

The Superintendent of Catholic Schools shall solicit from the Catholic Schools a plan on how each school intends to use the transportation funds from the Non-Subsidizing Parish Assessment. The plan must be approved by the Superintendent prior to disbursement of funds.

If a school does not have any need to provide transportation funds to families from non-subsidizing parishes, the Superintendent of Schools may waive the requirement in order to obtain this distribution.



## Finance

### **3310 Capital Expenditures**

Diocese of Marquette Policies for Construction, Repair or Improvement of Church or School Property must be followed for all capital expenditures.

### **3320 Operational and Financial Review**

Each Catholic school in the diocese is required to complete an operational and financial review at least every three years. The Diocese reserves the right to review in detail the records of any school at any time.

In implementing the requirement that each Catholic school in the diocese complete an “operational and financial” review at least every three years, the review will be conducted as follows:

1. The review is to be performed by an independent licensed practicing CPA and/or members of the Diocesan finance staff.
2. Costs for the review will be the responsibility of the diocese.

### **3330 Financial Reports Policy**

The Schools of the Diocese of Marquette shall report on a monthly basis financial information as requested by the Diocese Schools Business Manager. These monthly reports are in addition to the Annual Financial Report due each year to the Diocese by August 31st. All revenues and expenses related to a school's operation must be included in the school's annual report submitted to the Superintendent of Schools. This includes fundraising activities, expenses paid by home and school organizations, athletic clubs, etc. If annual report is not received by August 31st, the Diocesan disbursement to the school will be held until the completed report is submitted.

### **3340 Checking Accounts and Club and Organization Accountability**

All bank accounts related to the operation of the school must be established only with the consent of the Principal and Pastor(s). All school accounts shall have the Principal and Pastor(s) as the Signatory. Secondary authorized signatories, if required, should be approved by the Pastor(s). All transactions in the bank accounts should be reported in a timely fashion to the school's bookkeeper. Yearly totals shall be reflected in the annual financial report.

### **3350 Clubs and Organizations**

School clubs and organizations, such as but not limited to: booster club, athletic associations, home & school associations, music groups or any group using the tax-exempt status of the school in each of the Catholic schools is under the supervision of the school administrator.

The officers of these groups will be responsible for the supervision of each program and will report to the school administrator.

1. All funds of these groups and organizations must to be reflected in the school financial statements. No organization may have a separate checking account without the expressed consent of the Pastor/Pastoral Delegate. The Principal and Pastor/Pastoral Delegate shall in that case be a signatory on the account.
2. The officers will provide financial reports to the school administrator and the Finance Committee as requested, including bank statements and a detailed report of deposits and expenditures.

Each program will be reviewed annually by the School Finance Committee. \

### **3360 Inventories**

School administrators shall maintain a current inventory of all educational equipment and durable non-consumable supplies. The inventory form will be provided by the Diocese and should describe the inventory articles and give the serial number, identification number or copyright date, vendor or manufacturer, purchase date, purchase cost, current condition, and location of each. This inventory shall be updated at least annually.

### **3370 Hot Lunch Program**

A hot lunch program in each of the Catholic schools is under the supervision of the principal, as hot lunch is a service to the entire school community rather than a profit making operation.

1. The hot lunch manager will be responsible for the administration and supervision of each program and will report to the principal.
2. Each hot lunch program will be audited annually.

## Internal Controls

### **3410 Petty Cash**

Petty cash should be kept to a minimum amount (depending upon the size of the operation), reconciled every month, kept under lock and key, a single individual (other than the person reconciling the account) must be responsible for the account, and it may be replenished as needed, when supported by the receipts. Petty cash should be used only when necessary.

### **3420 Cash Disbursements**

Invoices should be approved by the Principal or Pastor(s) and submitted to the business office for payment.

### **3430 1099 Forms**

All schools/parishes who pay more than \$600 in a fiscal year to individuals or unincorporated independent contractors, must report such payments to the IRS on form 1099. The IRS requires all organizations to issue Form 1099's to all individuals and independent contractors according to the rules set forth in IRS Publication 1828, The Tax Guide for Churches and Religious Organizations.

### **3440 Sales Tax**

The school, a 501(c)3 organization, qualifies as a sales tax exempt entity. The exemption for sales to schools "not for resale" and for the school's purchases "not for resale" are provided for in section 4 a (a) of the Sales Tax Act and section 4 (i) of the USE Tax Act. Purchases for personal consumption, such as catered meals, are not tax exempt. Sale of goods and services for personal use must include sales tax.