



## Episcopal Diocese of Massachusetts

138 Tremont Street Boston, Massachusetts 02111 • 617-482-5800 • [www.diomass.org](http://www.diomass.org)

May 25, 2021

Dear Clergy, Convention Delegates, and Treasurers,

As required by Canon 9, at its April meeting the Diocesan Council approved the assessment formula for 2022, and we prepared the notification of the assessments to be sent out on May 1st. Because of the rushed timeline, the letter that accompanied the assessments failed to adequately explain all of the thinking that went into the assessment revision.

Our intent was to keep the net total amount of the assessments unchanged from what it had been if we had stayed with the expense-based formula used in previous years. Unfortunately, the 2019 parochial data from a number of congregations contained errors, and these congregations would need to be given an opportunity to restate their 2019 financial reporting, which would lower their total assessment. By analyzing the parochial report data, we estimated that a 6% reserve would be needed so that, after making accounting-based adjustments, the total amount raised by assessments would be roughly the same as the amount raised if the previous years' expense-based formula was applied to the 2019 parochial report data (the errors with the parochial data were on the operating income side of the ledger).

We should have included this explanation in the May 1st letter; because we did not, some people looked at the sum total of the assessments, and came to the conclusion that the Council had intended to increase the diocesan budget at the expense of congregations that have been struggling with the effects of the COVID-19 pandemic. To address this concern, and to support congregations that have been negatively impacted by the pandemic, Council voted to amend the assessment formula so that, using the 2019 parochial report data, the total assessment would equal the amount that would have been generated by the expense-based formula. The amended assessment formula is:

Where BASE for 2022 is equal to line A ("Normal Operating Income") from the 2019 Parochial Report, less line 13 ("Outreach from Operating Budget"), the following rates shall be applied (for a mission, the 2022 assessment is two-thirds the parish amount):

Step 1: \$0 to	\$49,999	0.50%
Step 2: \$50,000 to	\$99,999	7.00%
Step 3: \$100,000 to	\$249,999	12.70%
Step 4: \$250,000 to	\$499,999	13.10%
Step 5: \$500,000 to	\$999,999	13.25%
Step 6: \$1,000,000 to	\$1,999,999	13.50%

Step 7: \$2,000,000 and up		14.50%
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Congregations will still be able to submit accounting-based adjustments to correct errors in their 2019 parochial report as well as request adjustments for hardships; as noted in the previous letter dated May 1st, information about requesting adjustments is available at <https://www.diomass.org/inside/docs/assessments>. These accounting-based adjustments will decrease the net total amount of assessments that will be available for the 2022 diocesan budget; however, Council has identified funds that will allow us to absorb these accounting-based adjustments for next year.

We hope that this will assist congregations that have been impacted financially by the pandemic, and enable congregations to accomplish even more in our common ministry.

Sincerely,



Theodore Ts'o  
Diocesan Treasurer



Cynthia Hallenbeck  
Interim Chief Financial Officer