

DATE: _____
CEMETERY NAME: _____ ESTABLISHED: _____
PARISH NAME: _____ TOTAL INTERMENTS: _____
PASTOR: _____ DEVELOPED ACRES: _____
PARISH ADDRESS: _____
CITY/ZIP: _____

An **endowment/perpetual care fund** is an essential financial component of any cemetery. Cemeteries are depleting assets, i.e. the land (asset) is used to develop graves, crypts and niches; once the land is depleted it cannot be returned to inventory to create new burial space. Therefore, a mechanism must be in place to assure there are cemetery funds to maintain both the infrastructure and the burial spaces once they have been sold. That mechanism is typically known as an endowment or perpetual care fund.

The endowment care fund has several potential *revenue sources*. The first is a fixed dollar amount or a percentage of the cost assigned to certificates of burial, entombment or inurnment rights. The second revenue source is excess reinvested earnings from the fund that are not being used in the current year. The third source of revenue could be bequests, donations, and/or parish collections used to augment the fund.

The endowment fund has two *legitimate uses*. The first is funding the actual expenses associated with the regular maintenance (including equipment, supplies, and labor) of all interment spaces upon which endowment care has been collected. The second expense is regular required repair and maintenance of cemetery infrastructure, including roads, buildings, and fences/entrances.

When parochial cemeteries served smaller communities of permanent residents to a location, two different approaches were customary, i.e. the collection of annual care and/or families actually going to the cemetery on a regular basis and attending to the care of their own family plots. Neither of these approaches is considered viable today and thus it is necessary to fully endow the cemetery to assure that its care actually reflects what Catholics believe about the dignity of the baptized and the absolute worth of every individual human person.

A parochial cemetery care fund must be secured by using a legally constructed true endowment, i.e. once money has been deposited in the endowment care fund, it remains there. The corpus or body of the account must always remain intact. The care fund needs to be invested to generate earnings, both short and long-term.

RECOMMENDED NORMS

The following endowment care norms are recommended for parochial cemeteries.

1. No more than 50% of the annual earnings should be removed from the care fund. Once removed, funds must be used for maintenance of interment spaces upon which care has been paid in full and the infrastructure elements of the cemetery.
2. Parochial cemeteries should reserve a **minimum of 25% of the cost of the Certificate of Interment Rights (graves)**, whether these be for inhumation (full body burial) or inurnment (ground burial of cremated remains). To ease the calculation process, the interment certificate price should be established **first** and then 25% of that price is the amount to be reserved for care.
3. Parochial cemeteries should reserve a **minimum of 15% of the cost of the Certificate of Endowment Rights (crypts/niches)**, whether these be for full body entombment or inurnment of cremated remains. To ease the calculation process, just as above, the certificate price should be established **first** and then 15% of that price is the amount to be reserved for care.
4. Care fund deposits should be made to the endowment care fund on no less than a quarterly basis. More active cemeteries should deposit monthly.
5. On installment purchases, when software is not used/available to calculate percentages of each payment to various categories, i.e. space, care, interest, commissions, overrides, applicable taxes, the care fund collection/deposit falls immediately after satisfaction of taxes and commissions/overrides.

CALCULATING REQUIRED CARE FUND

There are various approaches to determining the required size of an endowment care fund. We believe the simplest and most reasonable approach for parochial cemeteries is to examine **actual maintenance cost** of the property, including infrastructure, over the most recent 5-year period and then calculate the size of a fund that would be required to generate a return to satisfy this need while addressing inflation impact.

ORDINARY MAINTENANCE EXPENSES

It's important to differentiate among grounds operations, grounds maintenance, sales, administration and office expenses. For the care fund purposes, only those items that are strictly for repair/maintenance are included. Maintenance includes equipment, supplies, and the labor costs (including benefits) for grass cutting/trimming, repair of sunken graves, clearing of decorations, leaves, and snow.

Maintenance **does not include** labor for opening of graves, crypts and niches and any other activity that has a direct cost or revenue-generating component. For example, labor associated with planting flowers at the entrance of the cemetery would be included; planting flowers at an individual grave when a family is paying for that service would not.