

## **AVERAGE COST OF CARE**

Consistency in the reporting of data by religious institutes is a value to NRRO. Increasing the accuracy of data enables a more consistent distribution of grants, helps identify services that will benefit institutes with specific needs, and gives a more accurate representation of the institutes' total net resources.

Varying organizational and management styles in religious institutes necessitates the modification of the standard form used to calculate cost of care. Along with the original form, two modifications are included to assist with the calculation of cost of care, breaking the cost down by levels of care. The style of the institute will determine which form or forms to use to calculate cost of care.

If an institute has developed internal processes for the ongoing calculation of cost of care into levels of care, and parallels the expense categories of the NRRO forms, this process can also be used to generate the information needed to complete the eligibility form.

Each form has the same intent: 1) to find the average cost of care for members age 70 years and above by care level, 2) to standardize the calculation of the average cost of care among religious institutes, 3) to assist persons responsible for the stewardship of community resources to consider all factors that impact the cost of care, and 4) to provide the information needed for effective long range planning.

**FORM C** may be used by institutes to collect data from individual houses where the central finance office does not have detailed financial data from each local house. This form may be distributed to representative local houses with members age 70 and above, for calculation at the local level. The central office may need to include directions and some specific costs, e.g. health insurance premiums. The data can then be compiled at the institute's central finance office. This compilation is used to determine independent living expenses for missions.

**FORM C**  
**AVERAGE COST OF CARE**  
**INDIVIDUAL HOUSES**

LOCATION:

- V. Total census at this location
- Y. Census at this location  $\geq 70$
- Z. Total annual dollar amount in cost category (varies for each line item)

Complete all applicable categories for this location

**PART I GENERAL HOUSE EXPENSES**

		Total Dollar amount (Z)
1. LOCAL ADMINISTRATION EXPENSES	1.	
2. PERSONAL LIVING COSTS		
A. Personal needs	2A.	
B. Housing	2B.	
C. Staff salaries and benefits	2C.	
3. AVERAGE ANNUAL UPKEEP EXPENDITURES FOR LOCATION		
A. Building Improvements	3A.	
B. Equipment	3B.	
C. Automobiles	3C.	
4. TOTAL EXPENSES	4.	
5. TOTAL CENSUS ("V" above)	5.	0
6. AVERAGE GENERAL EXPENSE ( $4 / 5 = 6$ )	6.	#DIV/0!

**PART II MEMBERS  $\geq 70$  YEARS**

7. MEDICAL EXPENSES		
A. Total of insurance premiums for members age 70+	7A.	
B. Medical costs for members age 70 and above (after direct payments from SSI, Medicare, Private health insurance)	7B.	
8. TOTAL MEDICAL EXPENSES ( $7.A + 7.B = 8$ )	8.	\$0
9. CENSUS $\geq 70$ YEARS ("Y" above)	9.	0
10. AVERAGE MEDICAL EXPENSES ( $8 / 9 = 10$ )	10.	#DIV/0!
11. AVERAGE COST FOR MEMBERS AGE 70 AND ABOVE AT LOCATION ( $6 + 10 = 11$ )	11.	#DIV/0!

**PART III CENTRAL OFFICE USE**

12. AVERAGE PER PERSON INSTITUTE ADMINISTRATION EXPENSE CALCULATED FROM FORM A	12.	
13. GRAND TOTAL PER PERSON ( $11 + 12 = 13$ )	13.	#DIV/0!
14. TOTAL DOLLARS EXPENDED ("Y" X 13) (TRANSFERRED TO SUMMARY SHEET)	14.	#DIV/0!

## Definition

### 1. **Local Administration INCLUDES**

Insurance  
Travel of administrators  
Office and library expenses  
Meeting expenses  
Retreats / chaplain / sacristy

### 1. **Local Administration Excludes**

Education  
Formation / Vocation  
Development  
Charity  
Ministry expenses (e.g. altar bread)  
FICA payments

### 2A. **Personal needs INCLUDES**

Food  
Clothing  
Supplies & personal items  
Recreation  
Travel

### 2B. **Housing INCLUDES**

Utilities  
Maintenance & Repairs  
Rent if applicable  
House / supplies and laundry

### 2C. **Staff salaries and benefits INCLUDE**

Personnel who are employees of the religious institute.

### **Staff salaries and benefits EXCLUDES**

Personnel whose employer is the parish or other source.

### 3. **Average Upkeep Expenditures INCLUDE**

Average annual cash outlay at this location for building improvements, equipment and automobiles.

### **Average Upkeep Expenditures EXCLUDES**

New buildings or extraordinary costs.  
Amortize large capital expenses / improvements on a depreciation scale.