



FINANCE OFFICE

DIOCESE OF SCRANTON

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POLICY ON ASSESSMENTS OF PROCEEDS FROM GAS LEASES

Policy:

Many parishes and Diocesan organizations have entered into leases with natural gas companies which allow said companies to drill for natural gas on their property. Upon entering into leases parishes can receive the following income streams from the natural gas company:

- Sign- on bonus which is usually a dollar amount per acre
- Royalty checks

It is the policy of the Diocese of Scranton that such revenue streams are subject to the normal Diocesan assessments including the Cathedralicum and the Diocesan Schools Assessment. Parishes need to report such income when filing annual financial reports. In certain circumstances the assessments on gas lease income can be waived. An example in which the assessments can be waived would be a situation where a parish owes significant debt to the Diocese. When the gas revenues are applied to this debt, the assessments can be waived. All requests to have assessments waived should be sent to the Bishop of the Diocese of Scranton for his approval.

Questions regarding this policy should be forwarded to the Diocesan Finance Office.