DIOCESE OF SIOUX CITY

P.O. Box 3379 •1821 Jackson Street, Sioux City, IA 51102 • (712) 255-7933 • www.scdiocese.org

Date: March 31, 2025

To: Parish Bookkeepers & Pastors

From: Deb Conley

CC: Royce Ranniger

Re: Parish Budget Information 2025-2026

As we have done in the past, the following information is to assist in preparing your upcoming budget. All parishes must have their annual budget approved by their respective Finance Councils prior to July 1. Remember a budget is a financial plan to guide your parish for the upcoming fiscal year. There will always be unplanned things that come up.

Revenue:

Weekly Offertory	Use historical data to project next year's envelope giving. Take parishioner changes and pastoral planning changes (mergers) into consideration.
Investment Income	Budget a **4.5%** estimate of your investment account balance as of March 31 or whatever date your spending policy indicates. Do not budget for anticipated withdrawals as income. We encourage you to invest your long-term investments (greater than one year) in The St. James Fund. Contact us for more information in this regard. **Important:** Parishes with long-term investments ($100,000 or more, excluding money market and CDs) should have an approved investment policy that includes socially responsible investing and investment strategic allocation guidelines (i.e., fixed income, equities, alternatives).
St James Guaranteed Interest Fund	Budget interest earned at 2.5% (no fees).
Together as One (TAO)	The average increase is expected to be 5.0%. We encourage you to use this built-in annual appeal to bolster your parish income. Remember funds raised in excess of your goal go back to your parish.
Bequests, Estates & Memorials	Budget moderately since these are not guaranteed. Remember unrestricted receipts can be used for parish operations. Have you conducted a planned giving seminar in your parish lately? Contact John Schmitz johns@scdiocese.org in our office for assistance in this regard.
Scrip	Budget for the expected parish profit from this program, this is income. Continue to evaluate the amount of time it takes to run this program verses the income you get.
Parish Sponsored Groups	Budget for the proceeds the parish expects to receive. Good communication on what the parish priorities are will assist these groups in their annual fundraisers.

Expenses:

Lay Salary	Review and approve salary at the finance council meeting in executive session. Document compensation changes and approvals in the employee files. The cost of living has been +2.8% this past year.
FICA & Medicare	Calculate at 7.65% of lay salary.
Priest Compensation	Budget for an annual increase of 3% in fiscal year 2025-2026. Pay based on Bishop's Priest Compensation Schedule that was emailed to all bookkeepers March 10, 2025.
Lay Health Insurance	Budget a 2% increase.
Priest Health Insurance:	Budget for priest health as follows for 2025-2026: • Active priest premium remains at $1,050 per month • Medicare-eligible active priest premium remains at $800 per month • Active priests have Vision coverage EF 7-1-2024 at no premium costs to the locations. (Retired priests will also have this coverage at no cost to them.)
401K Elective Deferral	The maximum parish contribution is 6% for employees. This is a matching contribution.
401K Elective Deferral Priests	The maximum parish contribution is 8% for active priests. This is a matching contribution.
Mileage Reimbursement	Budget priests/deacons using the IRS standard mileage rate of 70 cents per business mile driven effective January 1, 2025. Budget employees at the rate approved by the finance council, not to exceed the IRS rate. (Chancery employees are reimbursed at 45 cents per mile.)
Priest Food & Provisions	Budget $450 per month. If the priest opts to take this in cash, this will be taxable and include in his monthly payroll check. **Refer to Priests' Compensation Schedule.**
Priest Cell Phone:	Budget $100 per month for each priest. **Refer to Priests' Compensation Schedule.**
Continuing Ed/Retreats	Budget continuing education ($350) and retreats ($500) for each priest and deacon. Reimburse based on receipts provided. No stipends! **Refer to Priests' Compensation Schedule.**
Church Buildings & Secondary Churches	Budget for upkeep and maintenance of church buildings and secondary churches in the merged parish annual budget.
Auto Insurance	Estimated premiums: Cars/Pickups $800, SUVs/Vans $900, Buses $1,200. All parish and school owned vehicles must be covered using the Diocesan auto insurance plan.
Property & Liability	The expected increase in premiums will be 10%. Review your locations ledger page for property values to ensure you have adequate coverage. Contact Dustin Heino (712-233-7559).
Worker's Compensation	Work Comp renews annually in January. Schools should budget a 15% increase and parishes 5%.

Unemployment	Parish schools only – Budget following the Iowa Catholic Conference (ICC) billing for hot lunch, school custodians, daycare, or other school employees.
Religious Education, Youth Ministry, Adult Education	Parish ministry is important!! Ask your DRE what financial support is needed for the various parish programs. The budget should include all related activities (e.g., religious ed, youth ministry, adult education, etc.)
Cemetery	Although these are temporarily restricted funds, budget expected income and expense. Use cemetery funds to pay cemetery costs, the cemetery should not pay parish costs.
School Support	It is important that the school principal, school board, pastor, and parish finance council(s) work together to determine parish support to the school. Good communication is vital!
Non-Corporate Rate	The non-corporate per pupil rate will continue to be $500.
Cathedraticum	The average increase is expected to be 5%.
QuickBooks	Budget $300 for renewal of the QuickBooks subscription and payroll tax table. You will also want to include the monthly $35 cost per User for *Cloud* hosting, plus $7/month/User if you lease Office 365 through OneUp.
Capital Expenses/ Debt Retirement.	Prepare a separate budget for capital expenses and debt retirement as applicable.
Parish Schools	Employees working for both the school and parish should be budgeted according to their allocated time at each entity.

Please follow the diocesan standard chart of accounts!

Don't hesitate to contact us with questions:

Deb Conley	Parish/School Accounting debrac@scdiocese.org	712-233-7515
Royce Ranniger	Director of Administration and Finance roycer@scdiocese.org	712-233-7593