



## **Diocese of Sioux City Financial Guidelines for Pastoral Planning**

### **Terminology**

#### **Canonical Parish**

- Canonically established Parish by the Bishop of the Diocese.
- Civilly Incorporated in the state of Iowa.
  - This will occur after at least six months following the canonical merger.

#### **Secondary Church**

- Merged with a distinct nearby parish, no longer a canonical parish nor a civil corporation.
- Holy Mass offered on weekends and, when possible, weekdays and Holy Days of Obligation.

#### **Church Building**

- Merged with a distinct nearby parish, no longer a canonical parish nor a civil corporation.
- Mass is celebrated at the discretion of the pastor.
  - Example: funeral, wedding, Feast Day of Saint the Church is named after

#### **Assuming (Canonical) Parish (aka "Parish")**

- The parish to which a Church Building or Secondary Church is merged into (i.e., assigned).
- All assets and liabilities of the Church Building or Secondary Church, as applicable, will transfer to the Assuming Parish financials and be maintained as addressed in the Financial Guidelines.
- Upon merging, the Parish, Church Building, and Secondary Church become ONE parish doing business under the tax identification number (TIN) of the Parish.
- All registered parishioners of the Church Building and Secondary Church will automatically transfer on the civil date as registered households of the Parish unless they elect otherwise in writing.

#### **New (Canonical) Parish**

- The merger will result in a "new corporation" with a new TIN, articles of incorporation and bylaws. This only occurs when several parishes merge together.

#### **Grouping**

- Parishes that share a pastor and often times a single set of administrative resources and personnel are considered a grouping.

#### **Canonical Date**

- Effective date of the merger of parishes as stated in the decree, published in The Lumen.

#### **Civil Date**

- Effective date of the merger of parish finances, established at the beginning of the fiscal year (July 1) in coordination with the pastor.

## **Financial Guidelines for Pastoral Planning**

The Financial Guidelines have been updated (as follows) to handle merged parishes in the same manner on the financial statements. This ensures the parish is viewed as “one” with parishioners supporting the whole parish.

### **Financial Guidelines – Assuming/New (Canonical) Parish (aka “Parish”) Includes: Church Buildings and Secondary Churches (aka “Merged Parishes”)**

1. Business Office
  - a. There will be one business office for the Parish.
2. Finance Councils
  - a. There are not separate finance councils for merged parishes. The Parish will have one finance council that will include members of the merged parishes.
3. Registered Parishioners
  - a. All registered parishioners of the merged parishes will automatically transfer as registered households of the Parish unless they elect otherwise in writing to the Parish. The Parish is responsible for the parishioner registration database and any needed notifications to parishioners of the merged parishes. The Parish is responsible for notifying the diocese of parishioner database updates.
4. Finances (Includes: Parish Bank & Investment Accounts)
  - a. All assets and liabilities of the merged parishes will follow to the Parish and be included on the Parish financial statements. This includes bank and investment accounts, fixed assets such as vehicles, buildings, property and equipment, farmland, etc. Liabilities include bank loans, school assessments, and other outstanding payables.
  - b. The Parish bookkeeper handles the accounting for all parish bank and investment accounts including merged parishes accounts.
  - c. The merged parishes bank and investment accounts will use the tax identification number (TIN) of the Parish.
  - d. The Parish completes a new corporate resolution documenting any changes in authorized signers as a result of the merger.
  - e. Merged parish bank and investment account signature cards are updated to reflect the names of the authorized signers of the Parish.
  - f. As of the civil date of merger, all payments are made by the Parish.
  - g. Unrestricted funds of merged parishes are not maintained in separate bank and investment accounts from the Parish funds.
    - 1) Merged parishes revenues are recorded in the same income accounts as the parish revenues.

**Financial Guidelines – Assuming/New (Canonical) Parish (aka “Parish”)**  
**Includes: Church Buildings and Secondary Churches (aka “Merged parishes” (continued)**

- 2) Separate income accounts can be used for project or campaign revenues that relate to a diocesan resolution.
  - 3) Separate 51400 building expense accounts are set up in the Parish chart of accounts for merged parishes to track the property upkeep costs.
  - 4) Other payment types are recorded in the same operational expense accounts as the Parish expense, for example, administrative, religious, etc.
  - 5) The Diocesan Standard Chart of Accounts must be followed.
  - h. Payroll – With the merger, the parishes become one. Payroll and benefits are processed by the Parish using the Parish tax identification number (TIN).
  - i. The Parish will adopt a personnel policy handbook and all eligible employees will be offered consistent benefits.
  - j. Prior to merger, the respective Finance Councils could *board designate* funds for upkeep of the current property for one year and for the possibility of razing the church property into the future. The maximum allowed would be \$100,000 in this *board designated* fund. The merged Parish’s Finance Council should honor this request for up to three years.
5. Cemetery
- a. All assets and liabilities of the cemeteries of the merged parishes will follow to the Parish and be included on the Parish financial statements. This includes cemetery bank and investment accounts, fixed assets such as property and equipment, etc.
  - b. The Parish bookkeeper handles the accounting for all cemetery bank and investment accounts including merged parishes accounts.
  - c. Merged cemeteries use the tax identification number (TIN) of the Parish.
  - d. Cemetery bank and investment account signature cards are updated to reflect the names of the authorized signers of the Parish.
  - e. Cemetery funds are temporarily restricted meaning the monies can only be used for the cemetery, they are not commingled with parish funds. If there is more than one cemetery, the monies are used for the specific cemetery the funds were received for.
  - f. Each cemetery maintains separate asset, liability, income and expense accounts. Income account 49100 and expense account 59100 are used for the Parish cemetery. Income account 49110 and expense account 59110 are used for the merged cemetery. If more than one cemetery, 49120 and 59120 are used... Follow the Diocesan Standard Chart of Accounts.
  - g. As of the civil date of merger, cemetery payments are made by the Parish.
  - h. When the merger results in the Parish managing more than one cemetery, the parish is encouraged to have ONE cemetery committee that manages all of the cemeteries. It’s best to include representatives from each cemetery, selected by the pastor, with input from the finance council at his request. Ultimately, the finance council is responsible for oversight of the parish cemeteries.

**Financial Guidelines – Assuming/New (Canonical) Parish (aka “Parish”)**  
**Includes: Church Buildings and Secondary Churches (aka “Merged parishes” (continued)**

- i. Cemetery procedures and internal controls to safeguard the cemetery assets are established by the Parish. These should include procedures for preserving plot records and duplicate maps for each cemetery, maintaining headstones, etc. The Parish decides where the plot records and duplicate maps are maintained, however at least a copy should be kept in the Parish business office.
  - j. Prior to going to merged status, parishes may set aside up to \$100,000 or a 15-year annual average of expenses, whichever is greater, for the perpetual care of the existing cemetery. The \$100,000 includes existing cemetery funds. For example, if the cemetery has \$60,000 in funds, the parish may set aside \$40,000 for the cemetery. All current expenses, including the school assessment, must be paid prior to setting aside these funds. Other donor restricted funds may not be used for this purpose.
    - 1) This designation should be approved by the pastor and finance council with notification to the diocese via written finance council minutes.
    - 2) The finance council can “undesignate” the funds in 5j if the cemetery balance becomes excessive as a result.
6. Parish Sponsored Organizations/Auxiliary Groups
- a. All assets (bank accounts) of parish organizations (aka Auxiliary Groups) of merged parishes will follow to the Parish and be included on the Parish financial statements. This includes groups such as women/men clubs, guild, rosary or altar society, fellowship, food pantry, needy, etc.
  - b. The Parish bookkeeper handles the accounting for all auxiliary group bank accounts including merged parishes accounts.
  - c. Merged parish auxiliary groups use the tax identification number (TIN) of the Parish.
  - d. The assets will be deposited into the Parish organization. Merged parishes will not have separate parish organizations at each site. For example, there will be one guild for the Parish that includes the merged parishes.
  - e. Auxiliary group bank account signature cards are updated to reflect the names of the authorized signers of the Parish.
  - f. It is more efficient to segregate auxiliary group funds in subaccounts of general parish checking rather than to have separate checking and savings accounts.
  - g. As of civil date of merger, auxiliary group payments are made by Parish.
  - h. The Diocesan Norms and Guidelines for Auxiliary Groups must be followed.
7. Endowments/Donor Restricted Funds
- a. The Parish must comply with the stipulations identified in the endowment agreement(s) and with stipulations on donor restricted funds as stated in the will or other written documentation from the donor that identifies the restriction.
  - b. Existing endowments may maintain their identity but are to be used for the purpose intended by the Parish.

**Financial Guidelines – Assuming/New (Canonical) Parish (aka “Parish”)**  
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- c. Donor funds are considered permanently restricted, aka principal or corpus. These funds must be kept in separate subaccounts from accumulated earnings.
  - d. If the endowment includes board designated funds (i.e., unrestricted funds the finance council or board designates to be placed in the endowment fund), these funds must be kept in separate subaccounts from the permanently restricted donor funds. The finance council or others cannot designate unrestricted donor funds as permanently restricted. Board designated funds can be un-designated also.
  - e. At some point, a new endowment agreement is suggested. The Diocesan Finance Office will assist with this.
8. Corporate Members of a School System
- a. The school should work with the corporate member parishes to determine the school assessment that the parishes will pay.
9. TAO (Together as One) and Cathedraticum:
- a. For determining TAO diocesan support and Cathedraticum, net parish ordinary income (NPOI) is used from the year before last year. For instance, for the 2025-2026 support NPOI 2023-2024 is used.
10. Leases/Contracts
- a. New leases and contracts should be written using the Parish name.

## **Financial Guidelines – Closure of Canonical Church**

### **Closing Churches** (that are not currently a secondary or church building)

Parishes that are slated to be merged may request to close their church(es) prior to that date to avoid going to secondary or church building status. A formal resolution signed by the pastor and lay directors must be sent to the Bishop. The Bishop will make the final decision after consultation with the College of Consultors. In these instances, the existing parish Finance Council will remain intact and will be responsible for disposing of the fixed assets of the parish.

The pastor, bookkeeper and finance council will work to minimize the number of bank and investment accounts. When accounts are closed, the funds should be transferred to parish checking. The accounting software should provide an audit trail of these closures and transfers.

For parishes that decide to close a church with a cemetery, up to \$100,000 of unrestricted funds may be designated for the cemetery. Keep in mind all school assets, loans and other outstanding debts must be paid in full prior to this designation. Cemetery and any other restricted funds must be designated as such on the balance sheet. Supporting documentation must be available to support any stipulation(s).

The parish will handle the cemetery property, any remaining fixed assets and any endowment or other restricted funds. Any remaining unrestricted funds will be transferred to the parish.

## **SUMMARY**

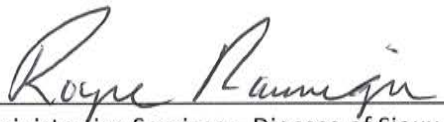
The Diocesan Financial and Internal Control Norms continues to be in force.

The Diocesan Norms for Parish Finance Councils and Parish Lay Directors continues to be in force.

The Diocesan Standard Chart of Accounts continues to be in force.

Supplementary financial guidelines are available on the Diocesan Website ([www.scdiocese.org](http://www.scdiocese.org)).

Compliance is expected by all locations.

Updated by:   
Director of Administrative Services – Diocese of Sioux City

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