



DIOCESE OF SIOUX CITY

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Date: March 11, 2026
To: Parish Bookkeepers & Pastors
From: Deb Conley
CC: Royce Ranniger
Re: Parish Budget Information 2026-2027

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 **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).

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 Heidi Probasco heidip@scdiocese.org in our development 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 in 2025 was ≈2.50%. This should be your starting point for next fiscal year

FICA & Medicare

Calculate at 7.65% of lay salary.

Priest Compensation

Pay based on Bishop's Priest Compensation Schedule that was emailed to all bookkeepers February 20, 2026.

Lay Health Insurance

The 26/27 rates will be determined shortly after the March renewal meetings. It appears that the High-Deductible insurance rate will go up next year. Plan for an overall average increase of 8%.

Priest Health Insurance:

Budget for priest health as follows for 2026-2027:

- Active priest premium remains at \$1,050 per month
- Medicare-eligible active priest premium remains at \$800 per month
- Active priests have Vision coverage 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 72.5 cents per business mile driven effective January 1, 2026. 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. This is a reimbursement and not income to the priest. **Refer to Priests' Compensation Schedule.**

Continuing Ed/Retreats

Budget continuing education (\$1,000) and retreats (\$1,000) for each priest. Deacons' reimbursement shall remain the same at \$350 for each. Reimburse based on receipts provided. No stipends! **Refer to Priests' Compensation Schedule.**

Capital Improvement & Equipment Reserve Fund

Proactive budgeting for capital improvements is essential to maintaining the long-term safety, functionality, and value of our church facilities. We recommend using 2.5% of the insured value of the buildings listed on your ledger page to address ongoing capital needs. This is a funding "use" and should be listed below the net income(deficit) from operation. We recommend processing a transfer of funds on a monthly basis to a bank account designated as "Capital Improvement Funds".

Allocating funds at this level allows the parish to plan for predictable expenses such as roof replacement, HVAC upgrades, infrastructure repairs, and code compliance improvements. Without a dedicated capital improvement reserve, these necessary projects can quickly become deferred, leading to higher long-term costs, increased risk of emergency repairs, and potential disruption to the church environment.

Auto Insurance

All parish and school owned vehicles must be covered using the Diocesan auto insurance plan.

Estimated premiums:

Annual Cost	Vehicle Type
\$ 130	Trailers
\$ 800	Cars
\$ 900	Pickups & Small SUVs
\$ 1,200	Mini-vans
\$ 1,400	Large SUVs (third row seating)
\$ 1,500	0-11 Passenger vans
\$ 1,500	0-21 Passenger bus
\$ 1,800	21+ Passenger bus

Property & Liability

Plan for a minimum 10% increase. We have had another year with above average claims. Evaluate whether your valuations on your property and buildings are adequate and accurate.

Worker’s Compensation

Work Comp. renews annually in January. Due to increased salaries and claims experience, budget a minimum 10% increase.

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

Bishop is deciding how to best provide some financial support to his own parish, The Cathedral of the Epiphany. The annual support from the Diocese has been \$100,000. Many of Bishop’s advisors felt that adding a special collection for this purpose would not be prudent. In lieu of this, we will try to do this increase in a two-year stage. Plan for an average increase of 7.5% for the upcoming year.

QuickBooks	Budget the monthly \$35 cost per User for <i>Cloud</i> hosting, plus \$7/month/User if you lease Office 365 through OneUp.
Paylocity	The current cost of payroll processing and the electronic benefits platform through Paylocity is approximately \$9 PEPM (per employee, per month).
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:

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